

# BUDGETING, ACCOUNTING AND REPORTING SYSTEM (BARS)

*For*

For Proprietary-Type Districts  
(Unclassified)



Washington  
***State Auditor***  
Brian Sonntag

UNCLASSIFIED PROPRIETARY-TYPE DISTRICTS

Copies of this manual will be furnished  
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## CONTRIBUTORS

This manual was developed through the dedicated efforts of the State Auditor's Office and the Port District Manual Revision Committee (1990-91) which was formed through the Washington Public Ports Association (WPPA) Finance Committee. Its membership at that time consisted of the following people:

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| Mark Rapozo      | State Auditor's Office |

Finally, special credit and recognition is made of Marge Garrison, Port of Seattle.

## INTRODUCTION

The chart of accounts and procedures contained in this manual must be used by local governmental units as prescribed by the State Auditor's Office (RCW 43.09.200).

Districts and utilities are categorized into two groups as follows:

Classified - Utilities or districts having annual gross operating revenues of \$2,000,000 or more. These entities are required to use a chart of accounts for budgeting and reporting in conformity with generally accepted accounting principles (GAAP). The accounts in the Classified Proprietary BARS manual satisfy this requirement. *All transit agencies are classified.*

Unclassified - Utilities or districts having annual gross operating revenues of less than \$2,000,000. Entities in this classification may follow single-entry accounting and cash-basis reporting procedures which are not intended to reflect financial condition and results of operations in conformance with GAAP. These entities may use the Unclassified Proprietary BARS manual.

The BARS accounting procedures consist of prescribed rules for handling financial transactions that have general application for Washington municipalities. They are not intended to deal with all situations or circumstances and must be supplemented from a variety of other sources:

1. Bulletins (issued separately by the State Auditor's Office) are concerned primarily with compliance matters, such as allowable transactions, but sometimes prescribe accounting rules that relate to such compliance.
2. Subsystems and other prescribed systems of accounts.
3. Statutes, regulations, and local rules.

## DESIGN AND PRESCRIPTION

### Applicability

The *Budgeting, Accounting and Reporting System* (BARS) must provide a complete record of financial transactions to ease preparation of the prescribed financial reports.

The following policies will govern the application of this accounting system by proprietary entities with annual operating revenue less than \$2,000,000:

1. Single-entry accounting will be employed. This method consists of a listing and classification of cash transactions without the formality of double-entry accounting. For that reason, it is not in compliance with generally accepted accounting principles (GAAP). However, single-entry accounting as permitted in this manual requires full compliance with all legal requirements.
2. Revenues and expenses will be classified according to operation using the prescribed chart of accounts.
3. The prescribed chart of accounts must be used for detail reporting of revenues and expenses. If a different system of numbers is used for internal accounting, it must contain equivalent detail throughout the budgeting, accounting, and reporting processes. It is permissible to add more detailed accounting for control and reporting purposes.
4. Unclassified Municipalities may use the Classified Municipalities methods of accounting.

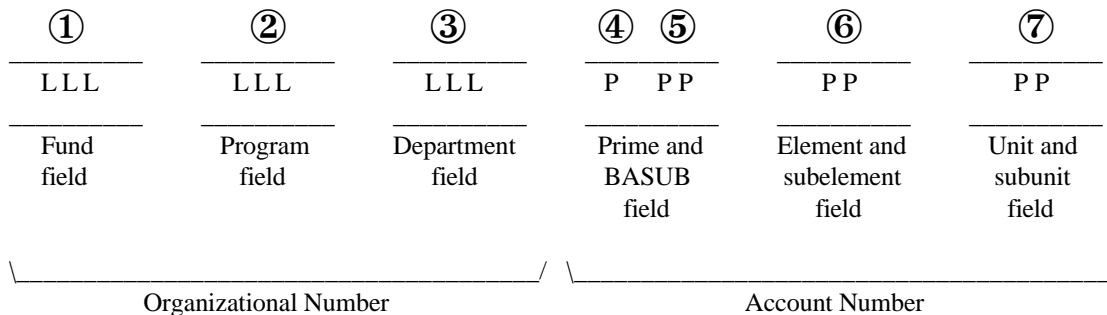
## DESIGN AND PRESCRIPTION

### Account Code Structure

In the BARS structure a sixteen (16) digit code accommodates the various transactions. Of these 16 digits, 7 digits are fully reserved for the Account Number, which means that if you decide to use unassigned portions of this field for local purposes, you should be aware that additional account coding may be prescribed in the future which will supplant your local applications.

In addition to this seven digit Account Number, the Organizational Number includes a field of three digits which is reserved for the fund code, three digits for the program code, and another three digits for the department code, for a total code structure of 16 digits. The particular codes in the fund, program, and department fields are available for each local government to use as they consider necessary.

The account structure is designed to provide for complete identification of each transaction.



P = Specific coding is prescribed in the BARS manual.

L = The fields are established in the BARS manual, but specific numbers are assigned by each municipal corporation.

The first part of the account code is an ORGANIZATIONAL NUMBER indicating:

|                          |               |
|--------------------------|---------------|
|                          | <u>Digits</u> |
| Fund                     | xxx           |
| Program                  | xxx           |
| Department or equivalent | xxx           |

The second part of the account code is the ACCOUNT NUMBER, consisting of:

|                              |               |
|------------------------------|---------------|
|                              | <u>Digits</u> |
| Prime Digit                  | x             |
| Basic and Subaccount (BASUB) | xx            |
| Element/Subelement           | xx            |
| Unit/Subunit                 | xx            |

## DESIGN AND PRESCRIPTION

- ① **FUND CODE** - Used to identify separate funds created and maintained for a particular purpose and having transactions subject to legal or administrative restrictions.
- ② **PROGRAM CODE** - May be used to identify a group of interdependent, closely related activities contributing to a common objective or group of allied objectives. Program numbers are determined by each municipal corporation. If used, they must have three digits, so "1" should be "001".
- ③ **DEPARTMENT CODE** - May be used to identify distinct departments of the government. Also, it may be used in grant accounting to sequence grants from a single source. Department numbers are also determined locally. Like program numbers, if used, they must have three digits; i.e., department "1" or "23" should be "001" or "023".
- ④ **PRIME DIGIT** - The first figure in the seven digit Account Number used to identify the type of transaction.

1 (One) denotes an asset account. *(Not applicable to unclassified port districts.)*

2 (Two) denotes a liability or equity account. *(Not applicable to unclassified port districts.)*

4 (Four) denotes a transit agency revenue account.

5 (Five) denotes a transit agency expense account.

6 (Six) denotes a port district revenue account.

7 (Seven) denotes a port district expense account.

3 (Three), 8 (Eight) and 9 (Nine) are not being used as prime digits.

### ⑤ **BASIC/SUB (BASUB) CODES**

Revenue - The numbers assigned to identify the general types of revenues related to the different operations.

Expense - The numbers assigned to identify the general types of expenses related to the different operations.

### ⑥ **ELEMENT/SUBELEMENT CODES**

Revenue - The numbers assigned to further identify specific types of revenues within a particular Basic/Sub category.

Expense - The numbers assigned to further identify specific types of expenses related to the particular Basic/Sub category.



## DESIGN AND PRESCRIPTION

### ⑦ UNIT/SUBUNIT CODES (OR OBJECT/SUBOBJECT)

Revenue - Generally, the numbers have not been defined, and are available for the additional coding by the entity. However, as the BARS manual is updated, it may be necessary to define these codes.

Expense

## DESIGN AND PRESCRIPTION

### MINIMUM LEVELS FOR REPORTING EXPENSES AND REVENUES

The following chart summarizes the amount of detail required.

| <u>Item Description</u> | <u>Example</u>    | <u>Expenses</u>        |
|-------------------------|-------------------|------------------------|
| Fund                    | 401               | Optional               |
| Program                 | 000               | Optional               |
| Department              | 000               | Optional               |
| Prime Digit             | <u>7</u> 00       | X                      |
| Basic Account           | 7 <u>1</u> 0      | X                      |
| Subaccount              | 71 <u>1</u>       | X                      |
| Element                 | 711. <u>2</u> 0   | X                      |
| Subelement              | 711.2 <u>3</u>    | X                      |
| Unit (or Object)        | 711.23. <u>0</u>  | Optional <sup>1/</sup> |
| Subunit (or Subobject)  | 711.23.0 <u>0</u> | Optional <sup>1/</sup> |

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| <u>Item Description</u> | <u>Example</u>    | <u>Revenues</u>        |
|-------------------------|-------------------|------------------------|
| Fund                    | 401               | Optional               |
| Program                 | 000               | Optional               |
| Department              | 000               | Optional               |
| Prime Digit             | <u>6</u> 00       | X                      |
| Basic Account           | 6 <u>3</u> 0      | X                      |
| Subaccount              | 63 <u>1</u>       | X                      |
| Element                 | 631. <u>8</u> 0   | X                      |
| Subelement              | 631.8 <u>1</u>    | Optional <sup>1/</sup> |
| Unit (or Object)        | 631.81. <u>0</u>  | Optional <sup>1/</sup> |
| Subunit (or Subobject)  | 631.81.0 <u>0</u> | Optional <sup>1/</sup> |

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<sup>1/</sup> Except when specifically prescribed in the BARS manual.

## DESIGN AND PRESCRIPTION

### Port District Revenue Account Numbering - EXAMPLE

Account codes are derived from the chart of accounts by selecting a series of numbers which describe a transaction. For example, assume that the port furnished electricity to users of the marine terminal premises. The following steps show the procedure used to classify this information:

Step 1: Select a basic account which describes the source of the revenue.  
(See Part 1, Chapter 5, REVENUES)

|        |                            |
|--------|----------------------------|
| 610.00 | AIRPORT                    |
| 620.00 | MARINA                     |
| 630.00 | MARINE TERMINAL            |
| 640.00 | LOCAL OPTION               |
| 650.00 | LOCAL OPTION               |
| 660.00 | PROPERTY LEASE/RENTAL      |
| 670.00 | LOCAL OPTION               |
| 680.00 | GENERAL AND ADMINISTRATIVE |
| 690.00 | NONOPERATING               |

Step 2: From the subaccounts shown under the basic account select the one which describes the type of charge.

|        |   |
|--------|---|
| 630.00 | MARINE TERMINAL                                 |
| 631.00 | USER CHARGES                                    |
| 632.00 | USER CHARGES                                    |
| 633.00 | OPERATING GRANTS                                |
| 634.00 | REAL PROPERTY RENTALS - LAND                    |
| 635.00 | REAL PROPERTY RENTALS - FACILITIES              |
| 636.00 | REAL PROPERTY RENTALS - FACILITIES              |
| 637.00 | PERSONAL PROPERTY RENTALS WITH PORT OPERATOR    |
| 638.00 | PERSONAL PROPERTY RENTALS WITHOUT PORT OPERATOR |
| 639.00 | OTHER   |

## DESIGN AND PRESCRIPTION

### Port District Revenue Account Numbering (cont.)

Step 3: From the elements shown under the subaccount, 631.00 selected in Step 2, select the revenue element which describes the service rendered.

|        |                        |
|--------|------------------------|
| 631.10 | DOCKAGE                |
| 631.20 | WHARFAGE               |
| 631.30 | SERVICE AND FACILITIES |
| 631.40 | STORAGE                |
| 631.50 | LOADING AND UNLOADING  |
| 631.60 | HANDLING               |
| 631.70 | LABOR                  |
| 631.80 | UTILITIES              |
| 631.90 | RESERVED               |

Step 4: From the subelements shown under the elements, 631.80 selected in Step 3, select the revenue subelement which defines the service rendered.

|        |                         |
|--------|-------------------------|
| 631.81 | WATER                   |
| 631.82 | ELECTRICITY             |
| 631.83 | SEWER                   |
| 631.84 | STEAM                   |
| 631.85 | SURFACE WATER TAX       |
| 631.86 | GARBAGE COLLECTION      |
| 631.87 | NATURAL GAS/PROPANE/OIL |
| 631.88 | TELECOMMUNICATIONS      |
| 631.89 | OTHER                   |

The proper account number is 631.82.

## DESIGN AND PRESCRIPTION

### Port District Expense Account Numbering - EXAMPLE

A similar procedure is used to classify expenses. For example, assume that the information to be classified is the regular salaries of employees for services rendered in connection with marine terminal operations. The following steps show the procedures used to locate the proper account number.

Step 1: Select the basic account which describes the use of the expense.  
(See Part 1, Chapter 6, EXPENSES)

|        |  |
|--------|--|
| 710.00 | AIRPORT                                  |
| 720.00 | MARINA                                   |
| 730.00 | MARINE TERMINAL                          |
| 740.00 | LOCAL OPTION                             |
| 750.00 | LOCAL OPTION                             |
| 760.00 | PROPERTY LEASE/RENTAL                    |
| 770.00 | OTHER                                    |
| 780.00 | GENERAL AND ADMINISTRATIVE (UNALLOCATED) |
| 790.00 | NONOPERATING                             |

Step 2: Select a subaccount which describes the type of activity.

|        |  |
|--------|--|
| 730.00 | MARINE TERMINAL                        |
| 731.00 | OPERATIONS                             |
| 732.00 |  |
| 733.00 | MAINTENANCE                            |
| 734.00 |  |
| 735.00 | GENERAL AND ADMINISTRATIVE (ALLOCATED) |
| 736.00 |  |
| 737.00 | DEPRECIATION                           |
| 738.00 |  |
| 739.00 | OTHER                                  |

DESIGN AND PRESCRIPTION

Port District Expense Account Numbering (cont.)

Step 3: Select the element which classifies the activity function being performed.

731.00 OPERATIONS

|        |                                     |
|--------|-------------------------------------|
| 731.10 | SALARIES/LABOR                      |
| 731.20 | BENEFITS                            |
| 731.30 | OUTSIDE SERVICES                    |
| 731.40 | SUPPLIES                            |
| 731.50 | EQUIPMENT RENTALS                   |
| 731.60 | FACILITY RENTALS                    |
| 731.70 | GENERAL AND ADMINISTRATIVE (DIRECT) |
| 731.80 | UTILITIES                           |
| 731.90 | OTHER                               |

Step 4: Select the subelement which describes the purpose of the expense.

|        |                        |
|--------|------------------------|
| 731.10 | SALARIES/LABOR         |
| 731.11 | REGULAR (STRAIGHT-PAY) |
| 731.12 | OVERTIME               |

The proper account number is 731.11.

BARS UNIFORM CHART OF ACCOUNTS  
GENERAL LEDGER

This chapter contains the balance sheet accounts used in double-entry accounting required of classified proprietary entities. The chapter is not applicable to unclassified proprietary districts which use a cash book, investment ledger, bond register, and receivables ledgers to control the assets and liabilities they are responsible for.

|                 |                   |
|-----------------|-------------------|
| <u>EFF DATE</u> | <u>SUPERSEDES</u> |
| 1/1/96          | 1/1/92            |

|                          |            |           |           |             |
|--------------------------|------------|-----------|-----------|-------------|
| <u>BARS MANUAL:</u>      | <u>VOL</u> | <u>PT</u> | <u>CH</u> | <u>PAGE</u> |
| UNCLASSIFIED PROPRIETARY | 1          | 1         | 2         | 1           |

BARS UNIFORM CHART OF ACCOUNTS  
FIXED ASSET ACCOUNTS

This chapter contains the balance sheet asset accounts, which provide supplemental detail for the general ledger accounts in Chapter 2, used in double-entry accounting required of classified proprietary entities. The chapter is not applicable to unclassified proprietary governments which use inventory records to control the fixed assets they are responsible for.

| <u>EFF DATE</u> | <u>SUPERSEDES</u> |
|-----------------|-------------------|
| 1/1/96          | 1/1/92            |

| <u>BARS MANUAL:</u>      | <u>VOL</u> | <u>PT</u> | <u>CH</u> | <u>PAGE</u> |
|--------------------------|------------|-----------|-----------|-------------|
| UNCLASSIFIED PROPRIETARY | 1          | 1         | 3         | 1           |



## **GRANT SOURCE CODES**

(To be used in the element, subelement, unit and subunit fields)

### **Coding Instructions**

The coding procedures in this section apply to all federal and state grant moneys. They apply whether such arrangements are called *awards, grants, block grants, subsidies, programs, cost reimbursements, contracts, agreements or loans*.

For further information about revenue account coding, see Part 1, Chapter 5.

### **State Grants**

Grants from all state agencies will be coded using the assigned three digit code listed in the following pages.

Example: Port district receives a state grant from the Department of Transportation for its airport operations. The BARS code for the grant is 613.03.6X.

|                                   |   |       |    |   |       |   |   |
|-----------------------------------|---|-------|----|---|-------|---|---|
| BARS CODE                         | 6 | 1     | 3. | 0 | 3.    | 6 | X |
| 1. Revenue-----                   | * | *     | *  | * | ----- | * | * |
| 2. Airport-----                   | * | *     |    |   | *     | * | * |
| 3. Operating Grant-----           | * |       |    |   | *     | * | * |
| 4.) BARS Grant---                 | * |       |    |   | *     | * | * |
| 5.) Code                          | * | ----- |    |   | *     | * | * |
| 6.) Listing-----                  | * |       |    |   |       | * | * |
| 7. For local use (see below)----- |   |       |    |   |       |   | * |

If more than one grant is received from the same agency, use the seventh digit (shown by “X”) to distinguish them. You may also use the seventh digit to distinguish different program years of the same grant.

### **Federal Grants**

All codes for federal grants are abbreviated versions of the numbers assigned by the federal government itself in the Catalog of Federal Domestic Assistance (CFDA). There are two strategies: one for Department of Health and Human Services grants and one for all other federal grants.

If a local government receives a grant from a federal source not included in the following listing, you should consult the most current edition of the catalog for proper coding following the strategy described herein.

Most agreements with federal agencies include references to the funding program in the first few paragraphs of the agreement. The exact title of the funding program is what you need to find the catalog number.

### **GRANT SOURCE CODES**

(To be used in the element, subelement, unit and subunit fields)

Grants from all federal agencies except the Department of Health and Human Services will be coded using the first 3 digits of the number assigned that program in the Catalog of Federal Domestic Assistance (CFDA).

Example: Port District receives a grant from the Federal Aviation Administration (FAA). The title of the grant is Airport Improvement Program. The CFDA number is 20.106. The BARS code for this grant is 613.20.1X.

|                                   |   |   |    |   |    |   |   |
|-----------------------------------|---|---|----|---|----|---|---|
| BARS CODE                         | 6 | 1 | 3. | 2 | 0. | 1 | X |
| 1. Revenue-----                   | * | * | *  | * | *  | * | * |
| 2. Airport-----                   | * | * | *  | * | *  | * | * |
| 3. Operating Grant-----           | * | * | *  | * | *  | * | * |
| 4.) First three-----              | * | * | *  | * | *  | * | * |
| 5.) digits of the                 | * | * | *  | * | *  | * | * |
| 6.) CFDA number--                 | * | * | *  | * | *  | * | * |
| 7. For local use (see below)----- | * | * | *  | * | *  | * | * |

If more than 1 grant with the same CFDA number is received, use the seventh digit (shown by “X”) to distinguish them. You may also use the seventh digit to distinguish different program years of the same grant.

### **Federal Grants - Health And Human Services Department**

Grants from the federal Department of Health and Human Services (DHHS) will be coded using the last 3 digits of the Catalog of Federal Domestic Assistance number preceded by a “9.” The catalog number of all DHHS grants begins with 93. Since there are numerous DHHS grants to distinguish and since the BARS structure is limited to 7 digits, we substituted the 1 digit number 9 for the 93.

Example: Port district receives a grant from DHHS for its marine terminal operations. The title of the grant is Occupational Safety and Health Research Grant. The CFDA number is 93.262. The BARS code for this grant is 633.92.62.

|   |   |   |    |   |    |   |   |
|---|---|---|----|---|----|---|---|
| BARS CODE                                       | 6 | 3 | 3. | 9 | 2. | 6 | 2 |
| 1. Revenue-----                                 | * | * | *  | * | *  | * | * |
| 2. Marine Terminal-----                         | * | * | *  | * | *  | * | * |
| 3. Operating Grant-----                         | * | * | *  | * | *  | * | * |
| 4. Dept. of Health &<br>Human Services (DHHS)-- | * | * | *  | * | *  | * | * |
| 5.) Last three-----                             | * | * | *  | * | *  | * | * |
| 6.) digits of the                               | * | * | *  | * | *  | * | * |
| 7.) CFDA number-----                            | * | * | *  | * | *  | * | * |

### **GRANT SOURCE CODES**

(To be used in the element, subelement, unit and subunit fields)

#### **STATE AGENCIES**

|       |   |       |  |
|-------|---|-------|--|
| 00.1X | Legislature and its Committees                  | 03.1X | Department of Ecology                                      |
| 00.2X | Office of the Governor                          | 03.2X | Other Environmental Agencies                               |
| 00.3X | Secretary of State                              | 03.5X | Traffic Safety Commission                                  |
| 00.4X | Office of Financial Management                  | 03.6X | Department of Transportation                               |
| 00.5X | Department of Personnel                         | 03.7X | County Road Administration Board                           |
| 00.6X | Department of Retirement Systems                | 03.8X | Transportation Improvement Board                           |
| 00.7X | Department of General Administration            | 03.9X | Other Transportation Agencies                              |
| 00.8X | Department of Licensing                         |       |  |
| 00.9X | Department of Revenue                           | 04.2X | Department of Community, Trade and<br>Economic Development |
| 01.0X | Office of Attorney General                      | 04.3X | Human Rights Commission                                    |
| 01.1X | Criminal Justice Training Commission            | 04.4X | Hospital Commission  |
| 01.2X | Other Judicial Agencies                         | 04.5X | Department of Veterans Affairs                             |
| 01.3X | State Patrol                                    | 04.6X | Department of Social and Health Services                   |
| 01.4X | Gambling Commission                             | 04.7X | Department of Employment Security                          |
| 01.5X | Department of Corrections                       | 04.8X | Minority Commissions and Councils                          |
| 01.6X | Jail Commission                                 | 04.9X | Department of Health                                       |
| 01.7X | Other Corrections Agencies                      |       |  |
| 01.8X | Military Department                             | 05.1X | Superintendent of Public Instruction                       |
| 01.9X | Lottery Commission                              | 05.2X | Commission for Vocational Education                        |
|       |   | 05.3X | Council for Post Secondary Education                       |
| 02.1X | Department of Agriculture                       | 05.4X | Universities and Four-Year Colleges                        |
| 02.2X | Agricultural Commissions                        | 05.5X | Community Colleges   |
| 02.3X | Department of Natural Resources                 | 05.6X | Other Educational Agencies                                 |
| 02.4X | Department of Parks and Recreation              | 05.7X | Library Commission   |
| 02.5X | Department of Fish and Wildlife                 | 05.8X | Arts Commission  |
| 02.7X | Interagency Committee for Outdoor<br>Recreation | 06.9X | Other Agencies   |
| 02.8X | Utilities and Transportation Commission         |       |  |

#### **INTERLOCAL GRANTORS**

07.0X-09.99

## **PORT DISTRICT REVENUE ACCOUNTS**

### 600.00\* REVENUE ACCOUNTS

The 600 series of revenue accounts designate all inflows by the type of operation (function) and activities within these operations. These accounts represent an orderly means of classifying transactions.

The operations have been divided into Airport, Marina, Marine Terminal, Property Lease and Rentals, General and Administrative, and Nonoperating functions.

The activities defined within each of these functions include user charges, operating grants, real property rentals (land), real property rentals (facilities), personal property rentals (with port operator), and personal property rentals (without port operator).

Throughout the operations and activity sections of the revenue accounts, various account numbers have not been defined or reserved. These open accounts are available for use in providing additional detail at the port's discretion. However, as the BARS manual is updated due to changing environments, it may be necessary to define these accounts.

The 660 series accounts have been provided for those districts that prefer to segregate property lease and rental activities from other operations. Thus, entities may account for these revenues within the various operations, or as a separate function. However, an entity should be consistent in their application by using **ONLY** one of the methods available.

### BASIC ACCOUNTS

|        |                 |        |                          |
|--------|-----------------|--------|--------------------------|
| 610.00 | AIRPORT         | 660.00 | PROPERTY LEASE/RENTAL    |
| 620.00 | MARINA          | 670.00 | NONREVENUES              |
| 630.00 | MARINE TERMINAL | 680.00 | GENERAL & ADMINISTRATIVE |
| 640.00 | LOCAL OPTION    | 690.00 | NONOPERATING             |
| 650.00 | LOCAL OPTION    |        |                          |

\* Most of the revenue and nonrevenue codes are limited to five (5) positions; however, a total of seven (7) positions are reserved for BARS information, i.e., - 600.00.00. If these digits are undefined, ports may use them to provide additional detail.

**PORT DISTRICT  
REVENUE ACCOUNTS**  
Basic and Subaccounts

|        |   |
|--------|---|
| 610.00 | AIRPORT   |
| 611.00 | USER CHARGES                                      |
| 612.00 | USER CHARGES                                      |
| 613.00 | OPERATING GRANTS                                  |
| 614.00 | REAL PROPERTY RENTALS - LAND                      |
| 615.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 616.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 617.00 | PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR    |
| 618.00 | PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR |
| 619.00 | OTHER   |
| 620.00 | MARINA  |
| 621.00 | USER CHARGES                                      |
| 622.00 | USER CHARGES                                      |
| 623.00 | OPERATING GRANTS                                  |
| 624.00 | REAL PROPERTY RENTALS - LAND                      |
| 625.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 626.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 627.00 | PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR    |
| 628.00 | PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR |
| 629.00 | OTHER   |
| 630.00 | MARINE TERMINAL                                   |
| 631.00 | USER CHARGES                                      |
| 632.00 | USER CHARGES                                      |
| 633.00 | OPERATING GRANTS                                  |
| 634.00 | REAL PROPERTY RENTALS - LAND                      |
| 635.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 636.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 637.00 | PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR    |
| 638.00 | PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR |
| 639.00 | OTHER   |
| 640.00 | LOCAL OPTION*                                     |
| 650.00 | LOCAL OPTION*                                     |

\* This account number is available for additional port operations. However, the activities defined within this function should be consistent with the other operations.

**PORT DISTRICT  
REVENUE ACCOUNTS**  
Basic and Subaccounts

|        |   |
|--------|---|
| 660.00 | PROPERTY LEASE/RENTAL                             |
| 661.00 | USER CHARGES                                      |
| 662.00 | USER CHARGES                                      |
| 663.00 | OPERATING GRANTS                                  |
| 664.00 | REAL PROPERTY RENTALS - LAND                      |
| 665.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 666.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 667.00 | PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR    |
| 668.00 | PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR |
| 669.00 | OTHER   |
| 670.00 | NONREVENUES                                       |
| 671.00 | DEBT PROCEEDS                                     |
| 672.00 | INVESTMENT PROCEEDS                               |
| 673.00 | FIXED ASSET PROCEEDS                              |
| 674.00 | CONTRIBUTED CAPITAL - FEDERAL/STATE/LOCAL         |
| 679.00 | OTHER   |
| 680.00 | GENERAL AND ADMINISTRATIVE                        |
| 681.00 | USER CHARGES                                      |
| 682.00 | USER CHARGES                                      |
| 683.00 | OPERATING GRANTS                                  |
| 684.00 | REAL PROPERTY RENTALS - LAND                      |
| 685.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 686.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 687.00 | PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR    |
| 688.00 | PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR |
| 689.00 | OTHER   |
| 690.00 | NONOPERATING                                      |
| 691.00 | USER CHARGES                                      |
| 692.00 | USER CHARGES                                      |
| 693.00 | OPERATING GRANTS                                  |
| 694.00 | REAL PROPERTY RENTALS - LAND                      |
| 695.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 696.00 | REAL PROPERTY RENTALS - FACILITIES                |
| 697.00 | PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR    |
| 698.00 | PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR |
| 699.00 | OTHER   |

**PORT DISTRICT**  
Revenue Account Definitions

**61X.XX AIRPORT REVENUES**

**611/612 AIRPORT - USER CHARGES**

**611.10 LANDING FEES:** Revenue derived from charges for aircraft landing fees of general aviation, charter flights, and other non-tenant aircrafts (refer to accounts 615/616 for long-term landing arrangements).

**611.20 VEHICLE PARKING FEES:** Revenue derived from parking fees received from the public using the garage and other public parking.

**611.30 AIRCRAFT PARKING FEES:** Revenue derived from charges for transient parking of general aviation, charter flights, and other non-tenant aircrafts (refer to accounts 615.11 and 615.12 or 665.11 and 665.12 for arrangements over 30 days or more than \$250 annually).

**611.40 MISCELLANEOUS FEES AND PERMITS:** Revenue derived from all miscellaneous fees and permits which are not specifically provided for in other accounts.

**611.80 UTILITIES:** Revenue derived from charges for water, electricity, heat, steam, etc., furnished to users of airport premises.

**611.81 WATER**

**611.82 ELECTRICITY**

**611.83 SEWER**

**611.84 STEAM**

**611.85 SURFACE WATER TAX**

**611.86 GARBAGE COLLECTION**

**611.87 NATURAL GAS/PROPANE/OIL**

**611.88 TELECOMMUNICATIONS**

**611.89 OTHER**

**611.90 RESERVED**

**612.80 RESERVED**

**612.90 OTHER:** Revenue derived for all miscellaneous services which are not specifically provided for in other accounts.

**PORT DISTRICT**  
Revenue Account Definitions

**61X.XX AIRPORT REVENUES**

**613.XX OPERATING GRANTS:** External grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee. See Part 1, Chapter 4 for additional coding instructions.

**614.XX REAL PROPERTY RENTALS - LAND:** (i.e., Port owned land, tenant owned facility)

**614.10 UNIMPROVED LAND:** Revenue derived from the rental/lease of land at the airport terminal.

**614.20 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land for industrial park.

**614.50 FREE TRADE ZONE:** Revenue derived from the rental/lease of land with tenant owned facility where trade tariffs do not apply.

**614.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land which are not specifically provided for in other accounts.



**PORT DISTRICT**  
Revenue Account Definitions

**61X.XX AIRPORT REVENUES**

**615/616 REAL PROPERTY RENTALS - FACILITIES:** (i.e., Port owns both land and facility)

**615.10 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport operations (e.g., hangars, warehouse).

**615.11 PERMANENT AIRCRAFT PARKING:** - Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually). Includes tie downs, hangars, floats, etc.. For transient parking, refer to account 611.30.

**615.12 TEMPORARY AIRCRAFT PARKING:** - Leasehold agreement for a specified period (over 30 days). Includes tie downs, hangars, floats, etc.. For transient parking, refer to account 611.30.

**615.20 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport operations (e.g., hangars, warehouse).

**615.30 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport operations (e.g., hangars, warehouse).

**615.40 JOINT USE AREAS:** Revenue derived from the rental of areas (cubic ft., square ft., linear ft., or concession sales), under the direction of airport operations, used jointly by all airline tenants, such as baggage claim and handling areas.

**615.90 RESERVED**

**616.30 FUEL FLOWAGE FEES:** Revenue derived from providing fuel to airport users.

**616.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land and facilities, under the direction of airport operations, which are not specifically provided for in other accounts.

**PORT DISTRICT**  
Revenue Account Definitions

**61X.XX AIRPORT REVENUES**

**617.XX PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR**

**617.90 OTHER:** Revenue derived for all the miscellaneous rental of equipment with port operators which are not specifically provided for in other accounts.

**618.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR**

**618.10 LOADING BRIDGES:** Revenue derived from the rental of loading bridges without port operators.

**618.90 OTHER:** Revenue derived for all the miscellaneous rental of equipment without port operators which are not specifically provided for in other accounts.

**619.XX OTHER:** Revenue derived from other sources not otherwise included in accounts 611 thru 618.

**PORT DISTRICT**  
Revenue Account Definitions

**62X.XX MARINA REVENUES**

**621/622 MARINA USER CHARGES**

**621.10 MOORAGE:** Revenue derived from charges to fishing vessels or pleasure craft for use of berthage space alongside of dock/pier, access for sustenance and supplies over the pier for the vessel.

**621.11 PERMANENT:** Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually).

**621.12 TEMPORARY:** Leasehold agreement for a specified period (over 30 days). This account is normally used by marina's not filled to capacity.

**621.13 TRANSIENT:** No leasehold agreement (under 30 days and less than \$250 annually)

**621.80 UTILITIES:** Revenue derived from charges for water, electricity, heat, steam, etc., furnished to fishing vessels or pleasure crafts.

**621.81 WATER**

**621.82 ELECTRICITY**

**621.83 SEWER**

**621.84 STEAM**

**621.85 SURFACE WATER TAX**

**621.86 GARBAGE COLLECTION**

**621.87 NATURAL GAS/PROPANE/OIL**

**621.88 TELECOMMUNICATIONS**

**621.89 OTHER**

**621.90 RESERVED**

**622.80 RESERVED**

**622.90 OTHER:** Revenue derived for all miscellaneous services which are not specifically provided for in other accounts.

**PORT DISTRICT**  
Revenue Account Definitions

**62X.XX MARINA REVENUES**

**623.XX OPERATING GRANTS:** External grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee. See Part 1, Chapter 4 for additional coding instructions.

**624.XX REAL PROPERTY RENTALS - LAND:** (i.e., Port owned land, tenant owned facility)

**624.10 UNIMPROVED LAND:** Revenue derived from the rental/lease of land at the marina.

**624.20 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land for industrial park.

**624.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land which are not specifically provided for in other accounts.

**PORT DISTRICT**  
Revenue Account Definitions

**62X.XX MARINA REVENUES**

**625/626 REAL PROPERTY RENTALS - FACILITIES:** (i.e., Port owns both land and facility)

**625.10 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of and space (cubic ft., square ft., linear ft., or concession sales) under the direction of marina operations (e.g., net sheds, marina store, lockers, etc.).

**625.20 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of marina operations (e.g., net sheds, marina store, lockers, etc.).

**625.30 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of marina operations (e.g., net sheds, marina store, lockers, etc.).

**625.40 JOINT USE AREAS:** Revenue derived from the rental of areas (cubic ft., square ft., linear ft., or concession sales), under the direction of marina operations, used jointly by all marina tenants.

**625.90 RESERVED**

**626.40 FUEL DOCK:** Revenue derived from providing fuel to marina users.

**626.50 BOAT STORAGE:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales), under the direction of marina operations, for boat storage (e.g., dry dock).

**626.51 PERMANENT:** Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually).

**626.52 TEMPORARY:** Leasehold agreement for a specified period (over 30 days).

**626.53 TRANSIENT:** No leasehold agreement (under 30 days and less than \$250 annually).

**626.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land and facilities, under the direction of marina operations, which are not specifically provided for in other accounts.

**PORT DISTRICT**  
Revenue Account Definitions

**62X.XX MARINA REVENUES**

**627.XX PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR**

**627.90 OTHER:** Revenue derived for all the miscellaneous rental of equipment with port operators which are not specifically provided for in other accounts.

**628.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR**

**628.90 OTHER:** Revenue derived for all the miscellaneous rental of equipment without port operators which are not specifically provided for in other accounts.

**629.XX OTHER:** Revenue derived from other sources not otherwise included in accounts 621 thru 628.

**PORT DISTRICT**  
Revenue Account Definitions

**63X.XX MARINE TERMINAL REVENUES**

**631/632 MARINE TERMINAL - USER CHARGES**

- 631.10 DOCKAGE:** Revenue derived from charges assessed against vessels for berthing at a wharf, piling structure, pier, bulkhead structure, or bank, or for mooring to a vessel so berthed.
- 631.20 WHARFAGE:** Revenue derived from charges assessed against all cargo passing or conveyed over, onto, or under wharves or between vessels (to or from barge, lighter, or water), when berthed at wharf, piling structure, pier, bulkhead structure or bank. Wharfage does not include charges for any other service.
- 631.30 SERVICE AND FACILITIES:** Revenue derived from the charge assessed against a vessel for the use of terminal working areas in the receipt and delivery of cargo and for documentation services in connection with the receipt, custody, and delivery of cargo.
- 631.40 STORAGE:** Revenue derived from the charges for the safekeeping of goods in warehouse or other repository.
- 631.50 LOADING AND UNLOADING:** Revenue derived from the charges for services, specific to shore side activities, performed in loading and unloading cargo on or off railroad cars, trucks, etc. The services include ordinary breakdown, sorting and stacking.
- 631.60 HANDLING:** Revenue derived from the charges made against vessels for physically moving cargo to/from ship's tackle to/from the first point of rest on the terminal facility.
- 631.70 LABOR:** Revenue derived from the charges assessed against a customer for all labor (e.g., standby, overtime, penalty cargo).

**PORT DISTRICT**  
Revenue Account Definitions

**63X.XX MARINE TERMINAL REVENUES**

**631/632 MARINE TERMINAL - USER CHARGES**

**631.80 UTILITIES:** Revenue derived from charges for water, electricity, heat, steam, etc., furnished to vessels, and users of terminal premises.

**631.81 WATER**  
**631.82 ELECTRICITY**  
**631.83 SEWER**  
**631.84 STEAM**  
**631.85 SURFACE WATER TAX**  
**631.86 GARBAGE COLLECTION**  
**631.87 NATURAL GAS/PROPANE/OIL**  
**631.88 TELECOMMUNICATIONS**  
**631.89 OTHER**

**631.90 RESERVED**

**632.80 RESERVED**

**632.90 OTHER:** Revenue derived for all miscellaneous services which are not specifically provided for in other accounts.



**PORT DISTRICT**  
Revenue Account Definitions

**63X.XX MARINE TERMINAL REVENUES**

**633.XX OPERATING GRANTS:** External grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee. See Part 1, Chapter 4 for additional coding instructions.

**634.XX REAL PROPERTY RENTALS - LAND:** (i.e., Port owned land, tenant owned facility)

**634.10 UNIMPROVED LAND:** Revenue derived from the rental/lease of land at the marine terminal.

**634.20 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land for industrial park.

**634.30 LOG STORAGE:** Revenue derived from the rental/lease of land for storage of logs.

**634.40 GRAIN ELEVATOR:** Revenue derived from the rental/lease of land with tenant owned grain elevator.

**634.50 FREE TRADE ZONE:** Revenue derived from the rental/lease of land with tenant owned facility where trade tariffs do not apply.

**634.60 COLD STORAGE:** Revenue derived from the rental/lease of land with tenant owned cold storage warehouse for freeze cargo.

**634.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land which are not specifically provided for in other accounts.

**PORT DISTRICT**  
Revenue Account Definitions

**63X.XX MARINE TERMINAL REVENUES**

**635/636 REAL PROPERTY RENTALS - FACILITIES:** (i.e., Port owns both land and facility)

- 635.10 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and facility (cubic ft., square ft., linear ft., or concession sales) under the direction of marine terminal operations (e.g., warehouse).
- 635.20 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and facility (cubic ft., square ft., linear ft., or concession sales) under the direction of marine terminal operations (e.g., warehouse).
- 635.30 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and facility (cubic ft., square ft., linear ft., or concession sales) under the direction of marine terminal operations (e.g., warehouse).
- 635.40 JOINT USE AREAS:** Revenue derived from the rental of areas (cubic ft., square ft., linear ft., or concession sales), under the direction of marine terminal operations, used jointly by all terminal tenants.
- 635.50 FREE TRADE ZONE:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations where trade tariffs do not apply.
- 635.60 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, for industrial park.
- 635.70 LOG STORAGE:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, for storage of logs.
- 635.80 GRAIN ELEVATOR:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, with a grain elevator.
- 635.90 RESERVED**

**PORT DISTRICT**  
Revenue Account Definitions

**63X.XX MARINE TERMINAL REVENUES**

**635/636 REAL PROPERTY RENTALS - FACILITIES**

**636.10 COLD STORAGE:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, with a cold storage warehouse for freeze cargo.

**636.20 CONTAINER TERMINAL:** Revenue derived from the rental/lease of land and facilities, under the direction of marine terminal operations, with a container for cargo.

**636.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land and facilities, under the direction of marine terminal operations, which are not specifically provided for in other accounts.

**PORT DISTRICT**  
Revenue Account Definitions

**63X.XX MARINE TERMINAL REVENUES**

**637.XX PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR**

- 637.10 CRANES:** Revenue derived from rental of cranes with port operators.
- 637.20 FORK LIFTS:** Revenue derived from rental of lift trucks with port operators.
- 637.30 LOG HANDLERS:** Revenue derived from rental of log handlers with port operators.
- 637.90 OTHER:** Revenue derived for all the miscellaneous rental of equipment with port operators which are not specifically provided for in other accounts.

**638.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR**

- 638.10 CRANES:** Revenue derived from rental of cranes without port operators.
- 638.20 FORK LIFTS:** Revenue derived from rental of lift trucks without port operators.
- 638.30 LOG HANDLERS:** Revenue derived from rental of log handlers without port operators.
- 638.90 OTHER:** Revenue derived for all the miscellaneous rental of equipment without port operators which are not specifically provided for in other accounts.

- 639.XX OTHER:** Revenue derived from other sources not otherwise included in accounts 631 thru 638.

**PORT DISTRICT**  
Revenue Account Definitions

**66X.XX PROPERTY LEASE/RENTAL REVENUES**

**661/662 PROPERTY LEASE/RENTAL - USER CHARGES**

**661.80 UTILITIES:** Revenue derived from charges for water, electricity, heat, steam, etc., furnished to customers.

**661.81 WATER**

**661.82 ELECTRICITY**

**661.83 SEWER**

**661.84 STEAM**

**661.85 SURFACE WATER TAX**

**661.86 GARBAGE COLLECTION**

**661.87 NATURAL GAS/PROPANE/OIL**

**661.88 TELECOMMUNICATIONS**

**661.89 OTHER**

**661.90 RESERVED**

**662.80 RESERVED**

**662.90 OTHER:** Revenue derived for all miscellaneous services which are not specifically provided for in other accounts.

**663.XX OPERATING GRANTS:** External grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee. See Part 1, Chapter 4 for additional coding instructions.

**PORT DISTRICT**  
Revenue Account Definitions

**66X.XX PROPERTY LEASE/RENTAL REVENUES**

**664.XX REAL PROPERTY RENTALS - LAND:** (i.e., Port owned land, tenant owned facility)

- 664.10 UNIMPROVED LAND:** Revenue derived from the rental/lease of land under the direction of airport, marina, or marine terminal operations.
- 664.20 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations for industrial park.
- 664.30 LOG STORAGE:** Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations for storage of logs.
- 664.40 GRAIN ELEVATORS:** Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations, with tenant owned grain elevator.
- 664.50 FREE TRADE ZONE:** Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations, with tenant owned facility where trade tariffs do not apply.
- 664.60 COLD STORAGE:** Revenue derived from the rental/lease of land, under the direction of airport, marina, or marine terminal operations, with tenant owned cold storage warehouse for freeze cargo.
- 664.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land, under the direction of airport, marina, or marine terminal operations, which are not specifically provided for in other accounts.

**PORT DISTRICT**  
Revenue Account Definitions

**66X.XX PROPERTY LEASE/RENTAL REVENUES**

**665/666 REAL PROPERTY RENTALS - FACILITIES:** (i.e., Port owns both land and facility)

**665.10 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport, marina, or marine terminal operations (e.g., warehouse, net sheds, marina store, lockers).

**665.11 PERMANENT AIRCRAFT PARKING:** Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually). Includes tie downs, hangars, floats, etc.. For transient parking, refer to account 611.30

**665.12 TEMPORARY AIRCRAFT PARKING:** Leasehold agreement for a specified period (over 30 days). Includes tie downs, hangars, floats, etc.. For transient parking, refer to account 611.30

**665.20 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport, marina, or marine terminal operations (e.g., warehouse, net sheds, marina store, lockers).

**665.30 SPACE RENTAL - GENERAL:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales) under the direction of airport, marina, or marine terminal operations (e.g., warehouse, net sheds, marina store, lockers).

**665.40 JOINT USE AREAS:** Revenue derived from the rental of areas (cubic ft., square ft., linear ft., or concession sales) under the direction of airport, marina, or marine terminal operations, used jointly by all tenants.

**665.50 FREE TRADE ZONE:** Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, where trade tariffs do not apply.

**665.60 INDUSTRIAL PARK:** Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, for industrial park.

**PORT DISTRICT**  
Revenue Account Definitions

**665/666 REAL PROPERTY RENTALS - FACILITIES**

- 665.70 LOG STORAGE:** Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, for storage of logs.
- 665.80 GRAIN ELEVATOR:** Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, with a grain elevator.
- 665.90 RESERVED**
- 666.10 COLD STORAGE:** Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, with a cold storage warehouse for freeze cargo.
- 666.20 CONTAINER TERMINAL:** Revenue derived from the rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, with a container for cargo.
- 666.30 FUEL FLOWAGE FEES:** Revenue derived from providing fuel to airport users.
- 666.40 FUEL DOCK:** Revenue derived from fuel to marina users.
- 666.50 BOAT STORAGE:** Revenue derived from the rental/lease of land and space (cubic ft., square ft., linear ft., or concession sales), under the direction of marina operations, for boat storage (e.g., dry dock).
- 666.51 PERMANENT:** Leasehold agreement for an indefinite period (over 30 days or more than \$250 annually).
- 666.52 TEMPORARY:** Leasehold agreement for a specified period (over 30 days)
- 666.53 TRANSIENT:** No leasehold agreement (under 30 days and less than \$250 annually)
- 666.90 OTHER:** Revenue derived for all the miscellaneous rental/lease of land and facilities, under the direction of airport, marina, or marine terminal operations, which are not specifically provided for in other accounts.



**PORT DISTRICT**  
Revenue Account Definitions

**66X.XX    PROPERTY LEASE/RENTAL REVENUES**

**667.XX    PROPERTY LEASE/RENTAL REVENUES**

**667.90            OTHER:** Revenue derived for all the miscellaneous rental of equipment with port operators which are not specifically provided for in other accounts.

**668.XX    PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR**

**668.90            OTHER:** Revenue derived for all the miscellaneous rental of equipment without port operators which are not specifically provided for in other accounts.

**669.XX    OTHER:** Revenue derived from other sources not otherwise included in accounts 661 thru 668.

**PORT DISTRICT**  
Revenue Account Definitions

**67X.XX NONREVENUES:** Receipts which do not meet revenue criteria. Accounts in the 670 series are for districts using single-entry, cash-basis accounting.

**671.XX DEBT PROCEEDS:** Include proceeds from the issuance of debt or other obligations.

**671.10** General Obligation Bond Proceeds  
**671.20** Revenue Bond Proceeds  
**671.30** Capital Leases/Installment Purchases Proceeds  
**671.40** Anticipation Notes/Warrants Proceeds  
**671.50** Other Note/Contract Proceeds  
**671.60** Intergovernmental Loan Proceeds  
**671.90** Other Debt Proceeds

**672.XX INVESTMENT PROCEEDS:** Include proceeds from the sale of investments. Exclude any interest or other earnings properly categorized as a revenue.

**672.10** Proceeds From Sale Of Investments

**673.XX FIXED ASSET PROCEEDS**

**673.10** Proceeds From Sale Of Fixed Assets  
**673.20** Compensation For Loss Of Fixed Assets - Insurance Recoveries  
**673.30** Compensation For Loss Of Fixed Assets - Other Recoveries

**674.XX CONTRIBUTED CAPITAL - FEDERAL/STATE/LOCAL:** Include capital improvement grants. Use grant source codes in the element/subelement/unit/subunit fields (Part 1, Chapter 4).

**679.XX OTHER NONREVENUES**

**PORT DISTRICT**  
Revenue Account Definitions

**68X.XX   GENERAL & ADMINISTRATIVE REVENUES**

**681/682   GENERAL AND ADMINISTRATIVE - USER CHARGES:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**681.80        RESERVED**

**681.90        RESERVED**

**682.80        RESERVED**

**682.90        OTHER**

**683.XX   OPERATING GRANTS:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**684.XX   REAL PROPERTY RENTALS - LAND:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**684.90        OTHER**

**PORT DISTRICT**  
Revenue Account Definitions

**68X.XX GENERAL & ADMINISTRATIVE REVENUES**

**685/686 REAL PROPERTY RENTALS - FACILITIES:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**685.90 RESERVED**

**686.90 OTHER**

**687.XX PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**687.90 OTHER**

**688.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**688.90 OTHER**

**689.XX OTHER:** Revenue derived from other sources not otherwise included in accounts 681 thru 688.

**PORT DISTRICT**  
Revenue Account Definitions

**69X.XX   NONOPERATING REVENUES**

**691/692   NONOPERATING - USER CHARGES:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**691.80       RESERVED**

**691.90       RESERVED**

**692.80       RESERVED**

**692.90       OTHER**

**693.XX   OPERATING GRANTS:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**694.XX   REAL PROPERTY RENTALS - LAND:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**694.90       OTHER**

**695/696   REAL PROPERTY RENTALS - FACILITIES:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**695.90       RESERVED**

**696.90       OTHER**

**697.XX   PERSONAL PROPERTY RENTALS - WITH PORT OPERATOR:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**697.90       OTHER**

**PORT DISTRICT**  
Revenue Account Definitions

**69X.XX NONOPERATING REVENUES**

**698.XX PERSONAL PROPERTY RENTALS - WITHOUT PORT OPERATOR:**

(Account is not commonly used, although space has been provided for use at the port's discretion)

**698.90 OTHER**

**699.XX OTHER:** Revenue derived from other sources not otherwise included in accounts 691 thru 698.

**699.10 INTEREST:** Revenue derived from interest earned on investments, contracts, securities, notes, loans, accounts receivable, special deposits, tax refunds, and all other interest-bearing assets.

**699.20 AD VALOREM TAXES:** Revenue derived from tax assessments levied for the support of the governmental unit, including IDD (Industrial Development District).

**699.30 MISCELLANEOUS TAXES:** Revenue derived from taxes, excluding ad valorem and IDD (Industrial Development District).

**699.40 GAINS AND LOSSES:** Revenue derived from the gain or loss on disposition of land, facilities, equipment, investments, debt retirement, etc.

**699.50 EXTRAORDINARY ITEMS:** Revenue derived from items or events both unusual in nature and infrequent in occurrence.

**699.90 OTHER:** Revenue derived for all miscellaneous items properly includible in the income account and not provided for elsewhere.

## **PORT DISTRICT EXPENSE ACCOUNTS**

### **700.00   EXPENSE ACCOUNTS**

The 700 series of expense accounts designates all outflows by the type of operation (function), activity, and classification. These accounts represent an orderly means of classifying transactions.

The operations have been divided into Airport, Marina, Marine Terminal, Property Lease and Rentals, General and Administrative, and Nonoperating functions.

The activities defined within each of these functions include operating, maintenance, general and administrative, and depreciation.

The classifications within each of the activities have been defined as salaries, benefits, outside services, supplies, equipment rentals, facilities rentals, general and administrative, and utilities.

Throughout the operations, activity, and classification sections of expense accounts, various account numbers have not been defined or reserved. These open accounts are available for use at the port's discretion. However, as the BARS manual is updated, it may be necessary to define these accounts.

Most of the illustrations of coding expenses include only five (5) digits or positions. An additional 1-2 digits is available for additional detail. If these digits are not defined or reserved, the port may use them at their own discretion. Only the accounts applicable to a particular entity should be used.

### **BASIC ACCOUNTS**

|        |                 |        |                            |
|--------|-----------------|--------|----------------------------|
| 710.00 | AIRPORT         | 760.00 | PROPERTY LEASE/RENTALS     |
| 720.00 | MARINA          | 770.00 | NONEXPENSES                |
| 730.00 | MARINE TERMINAL | 780.00 | GENERAL AND ADMINISTRATIVE |
| 740.00 | LOCAL OPTION    | 790.00 | NONOPERATING               |
| 750.00 | LOCAL OPTION    |        |                            |

**NOTE.** The inclusion of an account in this chart of accounts does not in itself provide the user with the authority to do something prohibited or not otherwise authorized by law. The chart of accounts is intended to provide all accounts that will be needed by any user of the system; some apply to very few units of local government.

**PORT DISTRICT  
EXPENSE ACCOUNTS**  
Basic Accounts and Subaccounts

|        |  |
|--------|--|
| 710.00 | AIRPORT                                |
| 711.00 | OPERATIONS                             |
| 712.00 |  |
| 713.00 | MAINTENANCE                            |
| 714.00 |  |
| 715.00 | GENERAL AND ADMINISTRATIVE (ALLOCATED) |
| 716.00 |  |
| 717.00 | DEPRECIATION                           |
| 718.00 |  |
| 719.00 | OTHER                                  |
| 720.00 | MARINA                                 |
| 721.00 | OPERATIONS                             |
| 722.00 |  |
| 723.00 | MAINTENANCE                            |
| 724.00 |  |
| 725.00 | GENERAL AND ADMINISTRATIVE (ALLOCATED) |
| 726.00 |  |
| 727.00 | DEPRECIATION                           |
| 728.00 |  |
| 729.00 | OTHER                                  |
| 730.00 | MARINE TERMINAL                        |
| 731.00 | OPERATIONS                             |
| 732.00 |  |
| 733.00 | MAINTENANCE                            |
| 734.00 |  |
| 735.00 | GENERAL AND ADMINISTRATIVE (ALLOCATED) |
| 736.00 |  |
| 737.00 | DEPRECIATION                           |
| 738.00 |  |
| 739.00 | OTHER                                  |
| 740.00 | LOCAL OPTION*                          |
| 750.00 | LOCAL OPTION*                          |

\* This account number is available for additional port operations. However, the activities defined within this function should be consistent with the other operations.



**PORT DISTRICT  
EXPENSE ACCOUNTS**  
Basic Accounts and Subaccounts

|         |  |
|---------|--|
| 760.00  | PROPERTY LEASE/RENTALS                 |
| 761.00  | OPERATIONS                             |
| 762.00  |  |
| 763.00  | MAINTENANCE                            |
| 764.00  |  |
| 765.00  | GENERAL AND ADMINISTRATIVE (ALLOCATED) |
| 766.00  |  |
| 767.00  | DEPRECIATION                           |
| 768.00  |  |
| 769.00  | OTHER                                  |
| 770.00  | NONEXPENSES                            |
| 771.00  | DEBT REDEMPTION (PRINCIPAL)            |
| 772.00  | INVESTMENT DISBURSEMENTS               |
| 773.00  | FIXED ASSET DISBURSEMENTS              |
| 779.00  | OTHER                                  |
| 780.00  | GENERAL AND ADMINISTRATIVE             |
| 781.00  | OPERATIONS                             |
| 782.00  |  |
| 783.00  | MAINTENANCE                            |
| 784.00  |  |
| 785.00  | GENERAL AND ADMINISTRATIVE (ALLOCATED) |
| 786.00  |  |
| 787.00  | DEPRECIATION                           |
| 788.00  |  |
| 789.00  | OTHER                                  |
| 790.00  | NONOPERATING                           |
| 791-798 | RESERVED                               |
| 799.00  | OTHER                                  |

**PORT DISTRICT**  
Expense Account Definitions

**71X.XX AIRPORT EXPENSES**

**711.XX OPERATING (DIRECT COSTS):** Expenses which are directly related to the entity's primary service activities.

**711.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, in connection with airport operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**711.11.XX REGULAR** (Straight-Pay)

**711.12.XX OVERTIME**

**711.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**711.21.XX SOCIAL SECURITY** (FICA)

**711.22.XX WORKER'S COMPENSATION** (L & I)

**711.23.XX UNEMPLOYMENT COMPENSATION**

**711.24.XX PENSION** (PERS/LEOFF)

**711.25.XX INSURANCE** (Health, Life, Disability)

**711.26.XX LEAVE** (Vacation, Sick, Etc.)

**711.30.XX OUTSIDE SERVICES:** Costs incurred for professional consultants and others for services in connection with airport operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting).

**711.31.XX LEGAL**

**711.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with airport operations (e.g., office, computer, janitorial, fuel, lubricants).

**711.41.XX OFFICE/COMPUTER**

**711.42.XX JANITORIAL**

**711.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**711.XX AIRPORT - OPERATING EXPENSES**

**711.50.XX EQUIPMENT RENTALS:** Cost of operating rented equipment used in connection with airport operations.

**711.60.XX FACILITY RENTALS:** Cost of operating rented facilities used in connection with airport operations.

**711.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with airport operations.

**711.71.XX PROMOTIONAL HOSTING**

**711.72.XX TRAVEL**

**711.73.XX INSURANCE**

**711.74.XX ADVERTISING**

**711.75.XX MEMBERSHIPS/DUES**

**711.79.XX OTHER**

**711.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with airport operations.

**711.81.XX WATER**

**711.82.XX ELECTRICITY**

**711.83.XX SEWER**

**711.84.XX STEAM**

**711.85.XX SURFACE WATER TAX**

**711.86.XX GARBAGE COLLECTION**

**711.87.XX NATURAL GAS/PROPANE/OIL**

**711.88.XX TELECOMMUNICATIONS**

**711.89.XX OTHER**

**711.90.XX OTHER:** Costs incurred for other uses not otherwise defined in the operations of the airport.

**711.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**71X.XX AIRPORT EXPENSES**

**713.XX MAINTENANCE:** Expenses which are directly related to the entity's upkeep of physical properties in condition for use or occupancy. NOTE: Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.

**713.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, in connection with airport maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**713.11.XX REGULAR** (Straight-Pay)

**713.12.XX OVERTIME**

**713.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post retirement benefits).

**713.21.XX SOCIAL SECURITY** (FICA)

**713.22.XX WORKER'S COMPENSATION** (L & I)

**713.23.XX UNEMPLOYMENT COMPENSATION**

**713.24.XX PENSION** (PERS/LEOFF)

**713.25.XX INSURANCE** (Health, Life, Disability)

**713.26.XX LEAVE** (Vacation, Sick, Etc.)

**713.30.XX OUTSIDE SERVICES:** Costs incurred for services in connection with airport maintenance (e.g., custodians, plumbers, electricians, legal).

**713.31.XX LEGAL**

**713.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with airport maintenance (e.g., paint, small tools, lumber, office, computer, janitorial).

**713.41.XX OFFICE/COMPUTER**

**713.42.XX JANITORIAL**

**713.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**713.XX AIRPORT - MAINTENANCE EXPENSES**

**713.50.XX EQUIPMENT RENTALS:** Costs incurred for rented equipment used in connection with airport maintenance.

**713.60.XX FACILITY RENTALS:** Costs incurred for rented facilities used in connection with airport maintenance.

**713.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with airport maintenance.

**713.71.XX RESERVED**

**713.72.XX TRAVEL**

**713.73.XX INSURANCE**

**713.74.XX ADVERTISING**

**713.75.XX MEMBERSHIPS/DUES**

**713.79.XX OTHER**

**713.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with airport maintenance.

**713.81.XX WATER**

**713.82.XX ELECTRICITY**

**713.83.XX SEWER**

**713.84.XX STEAM**

**713.85.XX SURFACE WATER TAX**

**713.86.XX GARBAGE COLLECTION**

**713.87.XX NATURAL GAS/PROPANE/OIL**

**713.88.XX TELECOMMUNICATIONS**

**713.89.XX OTHER**

**713.90.XX OTHER:** Costs incurred for other uses not otherwise defined in the maintenance of the airport.

**713.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**71X.XX AIRPORT EXPENSES**

**715.XX GENERAL AND ADMINISTRATIVE:** Expenses which are not chargeable directly to a particular operating function or to other accounts.

**715.00.XX GENERAL AND ADMINISTRATIVE (ALLOCATED):** Costs incurred for General and Administrative costs allocated in connection with airport operations.

**715.10.XX RESERVED** (use 715.00)

**715.20.XX RESERVED** (use 715.00)

**715.30.XX RESERVED** (use 715.00)

**715.40.XX RESERVED** (use 715.00)

**715.50.XX RESERVED** (use 715.00)

**715.60.XX RESERVED** (use 715.00)

**715.70.XX RESERVED** (use 715.00)

**715.80.XX RESERVED** (use 715.00)

**715.90.XX RESERVED** (use 715.00)

**PORT DISTRICT**  
Expense Account Definitions

**71X.XX AIRPORT EXPENSES**

**717.XX DEPRECIATION:** Portion of the cost of a fixed asset which is charged as an expense during a particular period.

**717.00.XX DEPRECIATION:** Costs of depreciation expense, for all classes of depreciable property, incurred in connection with airport operations.

**717.10.XX RESERVED** (use 717.00)

**717.20.XX RESERVED** (use 717.00)

**717.30.XX RESERVED** (use 717.00)

**717.40.XX RESERVED** (use 717.00)

**717.50.XX RESERVED** (use 717.00)

**717.60.XX RESERVED** (use 717.00)

**717.70.XX RESERVED** (use 717.00)

**717.80.XX RESERVED** (use 717.00)

**717.90.XX RESERVED** (use 717.00)

**PORT DISTRICT**  
Expense Account Definitions

**71X.XX AIRPORT EXPENSES**

**719.XX OTHER:** Expenses incurred from other uses not otherwise included in accounts 711 thru 718.

**719.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, not otherwise defined in the airport, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**719.11.XX REGULAR** (Straight-Pay)

**719.12.XX OVERTIME**

**719.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment, not otherwise defined in the airport. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**719.21.XX SOCIAL SECURITY (FICA)**

**719.22.XX WORKER'S COMPENSATION (L & I)**

**719.23.XX UNEMPLOYMENT COMPENSATION**

**719.24.XX PENSION (PERS/LEOFF)**

**719.25.XX INSURANCE** (Health, Life, Disability)

**719.26.XX LEAVE (Vacation, Sick, Etc.)**

**719.30.XX OUTSIDE SERVICES:** Costs incurred for professional consultants and others for services which are not applicable to a particular function of the airport.

**719.31.XX LEGAL**

**719.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption, not otherwise defined in the airport functions.

**719.41.XX OFFICE/COMPUTER**

**719.42.XX JANITORIAL**

**719.43.XX FUEL AND LUBRICANTS**



**PORT DISTRICT**  
Expense Account Definitions

**719.XX AIRPORT - OTHER EXPENSES**

**719.50.XX EQUIPMENT RENTALS:** Costs incurred for rented equipment, not otherwise defined in the airport functions.

**719.60.XX FACILITY RENTALS:** Costs incurred for rented facilities, not otherwise defined in the airport functions.

**719.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred, not otherwise defined in the airport functions.

**719.71.XX RESERVED**

**719.72.XX TRAVEL**

**719.73.XX INSURANCE**

**719.74.XX ADVERTISING**

**719.75.XX MEMBERSHIPS/DUES**

**719.79.XX OTHER**

**719.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed, not otherwise defined in the airport functions.

**719.81.XX WATER**

**719.82.XX ELECTRICITY**

**719.83.XX SEWER**

**719.84.XX STEAM**

**719.85.XX SURFACE WATER TAX**

**719.86.XX GARBAGE COLLECTION**

**719.87.XX NATURAL GAS/PROPANE/OIL**

**719.88.XX TELECOMMUNICATIONS**

**719.89.XX OTHER**

**719.90.XX OTHER:** Costs incurred for other uses not otherwise defined in airport functions.

**719.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**72X.XX MARINA EXPENSES**

**721.XX OPERATING (DIRECT COSTS):** Expenses which are directly related to the entity's primary service activities.

**721.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees in connection with marina operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**721.11.XX REGULAR** (Straight-Pay)  
**721.12.XX OVERTIME**

**721.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**721.21.XX SOCIAL SECURITY** (FICA)  
**721.22.XX WORKER'S COMPENSATION** (L & I)  
**721.23.XX UNEMPLOYMENT COMPENSATION**  
**721.24.XX PENSION** (PERS/LEOFF)  
**721.25.XX INSURANCE** (Health, Life, Disability)  
**721.26.XX LEAVE** (Vacation, Sick, Etc.)

**721.30.XX OUTSIDE SERVICES:** Costs incurred for professional consultants and others for services in connection with marina operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting).

**721.31.XX LEGAL**

**721.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with marina operations (e.g., office, computer, janitorial, fuel, lubricants).

**721.41.XX OFFICE/COMPUTER**  
**721.42.XX JANITORIAL**  
**721.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**721.XX MARINA - OPERATING EXPENSES**

**721.50.XX EQUIPMENT RENTALS:** Cost of operating rented equipment used in connection with marina operations.

**721.60.XX FACILITY RENTALS:** Cost of operating rented facilities used in connection with marina operations.

**721.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with marina operations (e.g., promotional hosting, travel, advertising, memberships, training, trade promotions, subscriptions/publications, community relations).

**721.71.XX PROMOTIONAL HOSTING**

**721.72.XX TRAVEL**

**721.73.XX INSURANCE**

**721.74.XX ADVERTISING**

**721.75.XX MEMBERSHIPS/DUES**

**721.79.XX OTHER**

**721.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with marina operations.

**721.81.XX WATER**

**721.82.XX ELECTRICITY**

**721.83.XX SEWER**

**721.84.XX STEAM**

**721.85.XX SURFACE WATER TAX**

**721.86.XX GARBAGE COLLECTION**

**721.87.XX NATURAL GAS/PROPANE/OIL**

**721.88.XX TELECOMMUNICATIONS**

**721.89.XX OTHER**

**721.90.XX OTHER:** Costs incurred for other uses not otherwise defined in the operations of the marina.

**721.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**72X.XX MARINA EXPENSES**

**723.XX MAINTENANCE:** Expenses which are directly related to the entity's upkeep of physical properties in condition for use or occupancy. NOTE: Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.

**723.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, in connection with marina maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**723.11.XX REGULAR** (Straight-Pay)

**723.12.XX OVERTIME**

**723.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post retirement benefits).

**723.21.XX SOCIAL SECURITY** (FICA)

**723.22.XX WORKER'S COMPENSATION** (L & I)

**723.23.XX UNEMPLOYMENT COMPENSATION**

**723.24.XX PENSION** (PERS/LEOFF)

**723.25.XX INSURANCE** (Health, Life, Disability)

**723.26.XX LEAVE** (Vacation, Sick, Etc.)

**723.30.XX OUTSIDE SERVICES:** Costs incurred for services in connection with marina maintenance (e.g., custodians, plumbers, electricians, legal).

**723.31.XX LEGAL**

**723.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with marina maintenance (e.g., paint, small tools, lumber, office, computer, janitorial).

**723.41.XX OFFICE/COMPUTER**

**723.42.XX JANITORIAL**

**723.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**723.XX MARINA - MAINTENANCE EXPENSES**

**723.50.XX EQUIPMENT RENTALS:** Costs incurred for rented equipment used in connection with marina maintenance.

**723.60.XX FACILITY RENTALS:** Costs incurred for rented facilities used in connection with marina maintenance.

**723.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with marina maintenance.

**723.71.XX RESERVED**

**723.72.XX TRAVEL**

**723.73.XX INSURANCE**

**723.74.XX ADVERTISING**

**723.75.XX MEMBERSHIPS/DUES**

**723.79.XX OTHER**

**723.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with marina maintenance.

**723.81.XX WATER**

**723.82.XX ELECTRICITY**

**723.83.XX SEWER**

**723.84.XX STEAM**

**723.85.XX SURFACE WATER TAX**

**723.86.XX GARBAGE COLLECTION**

**723.87.XX NATURAL GAS/PROPANE/OIL**

**723.88.XX TELECOMMUNICATIONS**

**723.89.XX OTHER**

**723.90.XX OTHER:** Costs incurred for other uses not otherwise defined in the maintenance of the marina.

**723.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**72X.XX MARINA EXPENSES**

**725.XX GENERAL AND ADMINISTRATIVE:** Expenses which are not chargeable directly to a particular operating function or to other accounts.

**725.00.XX GENERAL AND ADMINISTRATIVE (ALLOCATED):** Costs incurred for General and Administrative costs allocated in connection with marina operations.

**725.10.XX RESERVED** (use 725.00)

**725.20.XX RESERVED** (use 725.00)

**725.30.XX RESERVED** (use 725.00)

**725.40.XX RESERVED** (use 725.00)

**725.50.XX RESERVED** (use 725.00)

**725.60.XX RESERVED** (use 725.00)

**725.70.XX RESERVED** (use 725.00)

**725.80.XX RESERVED** (use 725.00)

**725.90.XX RESERVED** (use 725.00)

**PORT DISTRICT**  
Expense Account Definitions

**72X.XX MARINA EXPENSES**

**727.XX DEPRECIATION:** Portion of the cost of a fixed asset which is charged as an expense during a particular period.

**727.00.XX DEPRECIATION:** Costs of depreciation expense, for all classes of depreciable property, incurred in connection with marina operations.

**727.10.XX RESERVED** (use 727.00)

**727.20.XX RESERVED** (use 727.00)

**727.30.XX RESERVED** (use 727.00)

**727.40.XX RESERVED** (use 727.00)

**727.50.XX RESERVED** (use 727.00)

**727.60.XX RESERVED** (use 727.00)

**727.70.XX RESERVED** (use 727.00)

**727.80.XX RESERVED** (use 727.00)

**727.90.XX RESERVED** (use 727.00)

**PORT DISTRICT**  
Expense Account Definitions

**72X.XX MARINA EXPENSES**

**729.00 OTHER:** Expenses incurred from other uses not otherwise included in accounts 721 thru 728.

**729.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, not otherwise defined in the marina, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**729.11.XX REGULAR** (Straight-Pay)

**729.12.XX OVERTIME**

**729.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment, not otherwise defined in the marina. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment post employment benefits).

**729.21.XX SOCIAL SECURITY (FICA)**

**729.22.XX WORKER'S COMPENSATION (L & I)**

**729.23.XX UNEMPLOYMENT COMPENSATION**

**729.24.XX PENSION (PERS/LEOFF)**

**729.25.XX INSURANCE** (Health, Life, Disability)

**729.26.XX LEAVE** (Vacation, Sick, Etc.)

**729.30.XX OUTSIDE SERVICES:** Costs incurred for professional consultants and others for services which are not applicable to a particular function of the marina.

**729.31.XX LEGAL**

**729.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption, not otherwise defined in the marina functions.

**729.41.XX OFFICE/COMPUTER**

**729.42.XX JANITORIAL**

**729.43.XX FUEL AND LUBRICANTS**



**PORT DISTRICT**  
Expense Account Definitions

**729.XX MARINA - OTHER EXPENSES**

**729.50.XX EQUIPMENT RENTALS:** Costs incurred for rented equipment, not otherwise defined in the marina functions.

**729.60.XX FACILITY RENTALS:** Costs incurred for rented facilities, not otherwise defined in the marina functions.

**729.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred, not otherwise defined in the marina functions.

**729.71.XX RESERVED**

**729.72.XX TRAVEL**

**729.73.XX INSURANCE**

**729.74.XX ADVERTISING**

**729.75.XX MEMBERSHIPS/DUES**

**729.79.XX OTHER**

**729.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed, not otherwise defined in the marina functions.

**729.81.XX WATER**

**729.82.XX ELECTRICITY**

**729.83.XX SEWER**

**729.84.XX STEAM**

**729.85.XX SURFACE WATER TAX**

**729.86.XX GARBAGE COLLECTION**

**729.87.XX NATURAL GAS/PROPANE/OIL**

**729.88.XX TELECOMMUNICATIONS**

**729.89.XX OTHER**

**729.90.XX OTHER:** Costs incurred for other uses not otherwise defined in marina functions.

**729.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**73X.XX MARINE TERMINAL EXPENSES**

**731.XX OPERATING (DIRECT COSTS):** Expenses which are directly related to the entity's primary service activities.

**731.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, in connection with marine terminal operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**731.11.XX REGULAR** (Straight-Pay)

**731.12.XX OVERTIME**

**731.20.XX BENEFITS:** Employee benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**731.21.XX SOCIAL SECURITY** (FICA)

**731.22.XX WORKER'S COMPENSATION** (L & I)

**731.23.XX UNEMPLOYMENT COMPENSATION**

**731.24.XX PENSION** (PERS/LEOFF)

**731.25.XX INSURANCE** (Health, Life, Disability)

**731.26.XX LEAVE** (Vacation, Sick, Etc.)

**731.30.XX OUTSIDE SERVICES:** Costs incurred for professional consultants and others for services in connection with marine terminal operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting).

**731.31.XX LEGAL**

**731.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with marine terminal operations (e.g., office, computer, janitorial, fuel, lubricants).

**731.41.XX OFFICE/COMPUTER**

**731.42.XX JANITORIAL**

**731.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**731.XX MARINE TERMINAL - OPERATING EXPENSES**

**731.50.XX EQUIPMENT RENTALS:** Cost of operating rented equipment used in connection with marine terminal operations.

**731.60.XX FACILITY RENTALS:** Cost of operating rented facilities used in connection with marine terminal operations.

**731.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with marine terminal operations (e.g., promotional hosting, travel, advertising, memberships, training, trade promotions, subscriptions/publications, community relations).

**731.71.XX PROMOTIONAL HOSTING**

**731.72.XX TRAVEL**

**731.73.XX INSURANCE**

**731.74.XX ADVERTISING**

**731.75.XX MEMBERSHIPS/DUES**

**731.79.XX OTHER**

**731.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with marine terminal operations.

**731.81.XX WATER**

**731.82.XX ELECTRICITY**

**731.83.XX SEWER**

**731.84.XX STEAM**

**731.85.XX SURFACE WATER TAX**

**731.86.XX GARBAGE COLLECTION**

**731.87.XX NATURAL GAS/PROPANE/OIL**

**731.88.XX TELECOMMUNICATIONS**

**731.89.XX OTHER**

**731.90.XX OTHER:** Costs incurred for other uses not otherwise defined in the operations of the marine terminal.

**731.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**73X.XX MARINE TERMINAL EXPENSES**

**733.XX MAINTENANCE:** Expenses which are directly related to the entity's upkeep of physical properties in condition for use or occupancy. NOTE: Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.

**733.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, in connection with marine terminal maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**733.11.XX REGULAR** (Straight-Pay)

**733.12.XX OVERTIME**

**733.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**733.21.XX SOCIAL SECURITY** (FICA)

**733.22.XX WORKER'S COMPENSATION** (L & I)

**733.23.XX UNEMPLOYMENT COMPENSATION**

**733.24.XX PENSION** (PERS/LEOFF)

**733.25.XX INSURANCE** (Health, Life, Disability)

**733.26.XX LEAVE** (Vacation, Sick, Etc.)

**733.30.XX OUTSIDE SERVICES:** Costs incurred for services in connection with marine terminal maintenance (e.g., custodians, plumbers, electricians, legal).

**733.31.XX LEGAL**

**733.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with marine terminal maintenance (e.g., paint, small tools, lumber, office, computer, janitorial).

**733.41.XX OFFICE/COMPUTER**

**733.42.XX JANITORIAL**

**733.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**733.XX MARINE TERMINAL - MAINTENANCE EXPENSES**

**733.50.XX EQUIPMENT RENTALS:** Costs incurred for rented equipment used in connection with marine terminal maintenance.

**733.60.XX FACILITY RENTALS:** Costs incurred for rented facilities used in connection with marine terminal maintenance.

**733.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with marine terminal maintenance.

**733.71.XX RESERVED**  
**733.72.XX TRAVEL**  
**733.73.XX INSURANCE**  
**733.74.XX ADVERTISING**  
**733.75.XX MEMBERSHIPS/DUES**  
**733.79.XX OTHER**

**733.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with marine terminal maintenance.

**733.81.XX WATER**  
**733.82.XX ELECTRICITY**  
**733.83.XX SEWER**  
**733.84.XX STEAM**  
**733.85.XX SURFACE WATER TAX**  
**733.86.XX GARBAGE COLLECTION**  
**733.87.XX NATURAL GAS/PROPANE/OIL**  
**733.88.XX TELECOMMUNICATIONS**  
**733.89.XX OTHER**

**733.90.XX OTHER:** Costs incurred for other uses not otherwise defined in the maintenance of the marine terminal.

**733.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**73X.XX MARINE TERMINAL EXPENSES**

**735.XX GENERAL AND ADMINISTRATIVE:** Expenses which are not chargeable directly to a particular operating function or to other accounts.

**735.00.XX GENERAL AND ADMINISTRATIVE (ALLOCATED):** Costs incurred for General and Administrative costs allocated in connection with marine terminal operations.

**735.10.XX RESERVED** (use 735.00)

**735.20.XX RESERVED** (use 735.00)

**735.30.XX RESERVED** (use 735.00)

**735.40.XX RESERVED** (use 735.00)

**735.50.XX RESERVED** (use 735.00)

**735.60.XX RESERVED** (use 735.00)

**735.70.XX RESERVED** (use 735.00)

**735.80.XX RESERVED** (use 735.00)

**735.90.XX RESERVED** (use 735.00)

**PORT DISTRICT**  
Expense Account Definitions

**73X.XX MARINE TERMINAL EXPENSES**

**737.XX DEPRECIATION:** Portion of the cost of a fixed asset which is charged as an expense during a particular period.

**737.00.XX DEPRECIATION:** Costs of depreciation expense, for all classes of depreciable property, incurred in connection with marine terminal operations.

**737.10.XX RESERVED** (use 737.00)

**737.20.XX RESERVED** (use 737.00)

**737.30.XX RESERVED** (use 737.00)

**737.40.XX RESERVED** (use 737.00)

**737.50.XX RESERVED** (use 737.00)

**737.60.XX RESERVED** (use 737.00)

**737.70.XX RESERVED** (use 737.00)

**737.80.XX RESERVED** (use 737.00)

**737.90.XX RESERVED** (use 737.00)

**PORT DISTRICT**  
Expense Account Definitions

**73X.XX MARINE TERMINAL EXPENSES**

**739.XX OTHER:** Expenses incurred from other uses not otherwise included in accounts 731 thru 738.

**739.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, not otherwise defined in the marine terminal, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**739.11.XX REGULAR** (Straight-Pay)

**739.12.XX OVERTIME**

**739.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment, not otherwise defined in the marine terminal. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**739.21.XX SOCIAL SECURITY (FICA)**

**739.22.XX WORKER'S COMPENSATION (L & I)**

**739.23.XX UNEMPLOYMENT COMPENSATION**

**739.24.XX PENSION (PERS/LEOFF)**

**739.25.XX INSURANCE** (Health, Life, Disability)

**739.26.XX LEAVE** (Vacation, Sick, Etc.)

**739.30.XX OUTSIDE SERVICES:** Costs incurred for professional consultants and others for services which are not applicable to a particular function of the marine terminal.

**739.31.XX LEGAL**

**739.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption, not otherwise defined in the marine terminal functions.

**739.41.XX OFFICE/COMPUTER**

**739.42.XX JANITORIAL**

**739.43.XX FUEL AND LUBRICANTS**



**PORT DISTRICT**  
Expense Account Definitions

**739.XX MARINE TERMINAL - OTHER EXPENSES**

**739.50.XX EQUIPMENT RENTALS:** Costs incurred for rented equipment, not otherwise defined in the marine terminal functions.

**739.60.XX FACILITY RENTALS:** Costs incurred for rented facilities, not otherwise defined in the marine terminal functions.

**739.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred, not otherwise defined in the marine terminal functions.

**739.71.XX RESERVED**  
**739.72.XX TRAVEL**  
**739.73.XX INSURANCE**  
**739.74.XX ADVERTISING**  
**739.75.XX MEMBERSHIPS/DUES**  
**739.79.XX OTHER**

**739.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed, not otherwise defined in the marine terminal functions.

**739.81.XX WATER**  
**739.82.XX ELECTRICITY**  
**739.83.XX SEWER**  
**739.84.XX STEAM**  
**739.85.XX SURFACE WATER TAX**  
**739.86.XX GARBAGE COLLECTION**  
**739.87.XX NATURAL GAS/PROPANE/OIL**  
**739.88.XX TELECOMMUNICATIONS**  
**739.89.XX OTHER**

**739.90.XX OTHER:** Costs incurred for other uses not otherwise defined in marine terminal functions.

**739.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**76X.XX PROPERTY LEASE/RENTAL EXPENSES**

**761.XX OPERATING (DIRECT COSTS):** Expenses which are directly related to the entity's primary service activities.

**761.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, in connection with property lease/rental operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**761.11.XX REGULAR** (Straight-Pay)

**761.12.XX OVERTIME**

**761.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**761.21.XX SOCIAL SECURITY** (FICA)

**761.22.XX WORKER'S COMPENSATION** (L & I)

**761.23.XX UNEMPLOYMENT COMPENSATION**

**761.24.XX PENSION** (PERS/LEOFF)

**761.25.XX INSURANCE** (Health, Life, Disability)

**761.26.XX LEAVE** (Vacation, Sick, Etc.)

**761.30.XX OUTSIDE SERVICES:** Costs incurred for professional consultants and others for services in connection with property lease/rental operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting).

**761.31.XX LEGAL**

**761.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with property lease/rental operations (e.g., office, computer, janitorial, fuel, lubricants).

**761.41.XX OFFICE/COMPUTER**

**761.42.XX JANITORIAL**

**761.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**761.XX PROPERTY LEASE/RENTAL - OPERATING EXPENSES**

**761.50.XX EQUIPMENT RENTALS:** Cost of operating rented equipment used in connection with property lease/rental operations.

**761.60.XX FACILITY RENTALS:** Cost of operating rented facilities used in connection with property lease/rental operations.

**761.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with property lease/rental operations (promotional hosting, travel, advertising, memberships, training, trade promotions, subscriptions/publications, community relations).

**761.71.XX PROMOTIONAL HOSTING**

**761.72.XX TRAVEL**

**761.73.XX INSURANCE**

**761.74.XX ADVERTISING**

**761.75.XX MEMBERSHIPS/DUES**

**761.79.XX OTHER**

**761.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with property lease/rental operations.

**761.81.XX WATER**

**761.82.XX ELECTRICITY**

**761.83.XX SEWER**

**761.84.XX STEAM**

**761.85.XX SURFACE WATER TAX**

**761.86.XX GARBAGE COLLECTION**

**761.87.XX NATURAL GAS/PROPANE/OIL**

**761.88.XX TELECOMMUNICATIONS**

**761.89.XX OTHER**

**761.90.XX OTHER:** Costs incurred for other uses not otherwise defined in the operations of property lease and rentals.

**761.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**76X.XX PROPERTY LEASE/RENTAL EXPENSES**

**763.XX MAINTENANCE:** Expenses which are directly related to the entity's upkeep of physical properties in condition for use or occupancy. NOTE: Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.

**763.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, in connection with property lease/rental maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**763.11.XX REGULAR** (Straight-Pay)

**763.12.XX OVERTIME**

**763.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**763.21.XX SOCIAL SECURITY** (FICA)

**763.22.XX WORKER'S COMPENSATION** (L & I)

**763.23.XX UNEMPLOYMENT COMPENSATION**

**763.24.XX PENSION** (PERS/LEOFF)

**763.25.XX INSURANCE** (Health, Life, Disability)

**763.26.XX LEAVE** (Vacation, Sick, Etc.)

**763.30.XX OUTSIDE SERVICES:** Costs incurred for services in connection with property lease/rental maintenance (e.g., custodians, plumbers, electricians, legal).

**763.31.XX LEGAL**

**763.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with property lease/rental maintenance (paint, small tools, lumber, office, computer, janitorial).

**763.41.XX OFFICE/COMPUTER**

**763.42.XX JANITORIAL**

**763.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**763.XX PROPERTY LEASE/RENTAL - MAINTENANCE EXPENSES**

**763.50.XX EQUIPMENT RENTALS:** Costs incurred for rented equipment used in connection with property lease/rental maintenance.

**763.60.XX FACILITY RENTALS:** Costs incurred for rented facilities used in connection with property lease/rental maintenance.

**763.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with property lease/rental maintenance.

**763.71.XX RESERVED**

**763.72.XX TRAVEL**

**763.73.XX INSURANCE**

**763.74.XX ADVERTISING**

**763.75.XX MEMBERSHIPS**

**763.79.XX OTHER**

**763.70.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with property lease/rental maintenance.

**763.81.XX WATER**

**763.82.XX ELECTRICITY**

**763.83.XX SEWER**

**763.84.XX STEAM**

**763.85.XX SURFACE WATER TAX**

**763.86.XX GARBAGE COLLECTION**

**763.87.XX NATURAL GAS/PROPANE/OIL**

**763.88.XX TELECOMMUNICATIONS**

**763.89.XX OTHER**

**763.90.XX OTHER:** Costs incurred for other uses not otherwise defined in the maintenance of property lease and rentals.

**763.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**76X.XX PROPERTY LEASE/RENTAL EXPENSES**

**765.XX GENERAL AND ADMINISTRATIVE:** Expenses which are not chargeable directly to a particular operating function or to other accounts.

**765.00.XX GENERAL AND ADMINISTRATIVE (ALLOCATED):** Costs incurred for General and Administrative costs allocated in connection with property lease/rental operations.

**765.10.XX RESERVED** (use 765.00)

**765.20.XX RESERVED** (use 765.00)

**765.30.XX RESERVED** (use 765.00)

**765.40.XX RESERVED** (use 765.00)

**765.50.XX RESERVED** (use 765.00)

**765.60.XX RESERVED** (use 765.00)

**765.70.XX RESERVED** (use 765.00)

**765.80.XX RESERVED** (use 765.00)

**765.90.XX RESERVED** (use 765.00)

**PORT DISTRICT**  
Expense Account Definitions

**76X.XX PROPERTY LEASE/RENTAL EXPENSES**

**767.00 DEPRECIATION:** Portion of the cost of a fixed asset which is charged as an expense during a particular period.

**767.00.XX DEPRECIATION:** Costs of depreciation expense, for all classes of depreciable property, incurred in connection with property lease/ rental operations.

**767.10.XX RESERVED** (use 767.00)

**767.20.XX RESERVED** (use 767.00)

**767.30.XX RESERVED** (use 767.00)

**767.40.XX RESERVED** (use 767.00)

**767.50.XX RESERVED** (use 767.00)

**767.60.XX RESERVED** (use 767.00)

**767.70.XX RESERVED** (use 767.00)

**767.80.XX RESERVED** (use 767.00)

**767.90.XX RESERVED** (use 767.00)

**PORT DISTRICT**  
Expense Account Definitions

**76X.XX PROPERTY LEASE/RENTAL EXPENSES**

**769.XX OTHER:** Expenses incurred from other uses not otherwise included in accounts 761 thru 768.

**769.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees not otherwise defined in the property lease/rental, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**769.11.XX REGULAR** (Straight-Pay)  
**769.12.XX OVERTIME**

**769.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment, not otherwise defined in the property lease/rental. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**769.21.XX SOCIAL SECURITY** (FICA)  
**769.22.XX WORKER'S COMPENSATION** (L & I)  
**769.23.XX UNEMPLOYMENT COMPENSATION**  
**769.24.XX PENSION** (PERS/LEOFF)  
**769.25.XX INSURANCE** (Health, Life, Disability)  
**769.26.XX LEAVE** (Vacation, Sick, Etc.)

**769.30.XX OUTSIDE SERVICES:** Costs incurred for professional consultants and others for services which are not applicable to a particular function of the property lease/rental.

**769.31.XX LEGAL**

**769.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption, not otherwise defined in the property lease/rental functions.

**769.41.XX OFFICE/COMPUTER**  
**769.42.XX JANITORIAL**  
**769.43.XX FUEL AND LUBRICANTS**



**PORT DISTRICT**  
Expense Account Definitions

**769.XX PROPERTY LEASE/RENTAL - OTHER EXPENSES**

**769.50.XX EQUIPMENT RENTALS:** Costs incurred for rented equipment, not otherwise defined in the property lease/rental functions.

**769.60.XX FACILITY RENTALS:** Costs incurred for rented facilities, not otherwise defined in the property lease/rental functions.

**769.70.XX GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred, not otherwise defined in the property lease/rental functions.

**769.71.XX RESERVED**  
**769.72.XX TRAVEL**  
**769.73.XX INSURANCE**  
**769.74.XX ADVERTISING**  
**769.75.XX MEMBERSHIPS/DUES**  
**769.79.XX OTHER**

**769.80.XX UTILITIES:** Costs incurred for heat, light, power, and water consumed, not otherwise defined in the property lease/rental functions.

**769.81.XX WATER**  
**769.82.XX ELECTRICITY**  
**769.83.XX SEWER**  
**769.84.XX STEAM**  
**769.85.XX SURFACE WATER TAX**  
**769.86.XX GARBAGE COLLECTION**  
**769.87.XX NATURAL GAS/PROPANE/OIL**  
**769.88.XX TELECOMMUNICATIONS**  
**769.89.XX OTHER**

**769.90.XX OTHER:** Costs incurred for other uses not otherwise defined in property lease/rental functions.

**769.99.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**77X.XX NONEXPENSES:** Disbursements which do not meet expense criteria. Accounts in the 770 series are for districts using single-entry, cash-basis accounting.

**771.XX DEBT REDEMPTION (PRINCIPAL):** Use these accounts to record the redemption of debt principal. Use account 799.91 for interest properly categorized as an expense.

|               |                                      |
|---------------|--------------------------------------|
| <b>771.10</b> | General Obligation Bonds             |
| <b>771.20</b> | Revenue Bonds                        |
| <b>771.30</b> | Capital Leases/Installment Purchases |
| <b>771.40</b> | Anticipation Notes/Warrants          |
| <b>771.50</b> | Other Note/Contracts                 |
| <b>771.60</b> | Intergovernmental Loans              |
| <b>771.90</b> | Other Debt Redemptions               |

**772.XX INVESTMENT DISBURSEMENTS:** Use these accounts to record amounts paid for investments.

|               |                         |
|---------------|-------------------------|
| <b>772.10</b> | Purchase Of Investments |
|---------------|-------------------------|

**773.XX FIXED ASSET DISBURSEMENTS**

|               |                          |
|---------------|--------------------------|
| <b>773.30</b> | Purchase of Fixed Assets |
|---------------|--------------------------|

**779.XX OTHER NONEXPENSES**

**PORT DISTRICT**  
Expense Account Definitions

**78X.XX GENERAL AND ADMINISTRATIVE (G & A) EXPENSES** - The sum of accounts 781 and 783 less 785 should be shown separately in the operating expenses of the financial statements. Account 787 is combined with other operations.

**781.XX OPERATING G & A (DIRECT COSTS):** Expenses which are directly related to the entity's primary service activities (e.g., Accounting/Finance Department).

**781.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, in connection with general and administrative operations, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**781.11.XX REGULAR** (Straight-Pay)

**781.12.XX OVERTIME**

**781.20.XX BENEFITS:** Employee benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]-- employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**781.21.XX SOCIAL SECURITY (FICA)**

**781.22.XX WORKER'S COMPENSATION (L & I)**

**781.23.XX UNEMPLOYMENT COMPENSATION**

**781.24.XX PENSION (PERS/LEOFF)**

**781.25.XX INSURANCE** (Health, Life, Disability)

**781.26.XX LEAVE** (Vacation, Sick, Etc.)

**781.30.XX OUTSIDE SERVICES:** Costs incurred for professional consultants and others for services in connection with general and administrative operations (e.g., Community Assessment Study, Return on Investment Study, legal, appraisers, engineering, risk management (insurance), custodial, accounting, regional cooperative efforts).

**781.31.XX LEGAL**

**781.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with general and administrative operations (e.g., office, computer, janitorial, fuel, lubricants).

**781.41.XX OFFICE/COMPUTER**

**781.42.XX JANITORIAL**

**781.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**781.XX    GENERAL AND ADMINISTRATIVE - OPERATING EXPENSES**

**781.50.XX            EQUIPMENT RENTALS:** Cost of operating rented equipment used in connection with general and administrative operations.

**781.60.XX            FACILITY RENTALS:** Cost of operating rented facilities used in connection with general and administrative operations.

**781.70.XX            GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with general and administrative operations (e.g., promotional hosting, travel, advertising, memberships, training, trade promotions, subscriptions/publications, community relations).

**781.71.XX            PROMOTIONAL HOSTING**

**781.72.XX            TRAVEL**

**781.73.XX            INSURANCE**

**781.74.XX            ADVERTISING**

**781.75.XX            MEMBERSHIPS/DUES**

**781.79.XX            OTHER**

**781.80.XX            UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with general and administrative operations.

**781.81.XX            WATER**

**781.82.XX            ELECTRICITY**

**781.83.XX            SEWER**

**781.84.XX            STEAM**

**781.85.XX            SURFACE WATER TAX**

**781.86.XX            GARBAGE COLLECTION**

**781.87.XX            NATURAL GAS/PROPANE/OIL**

**781.88.XX            TELECOMMUNICATIONS**

**781.89.XX            OTHER**

**781.90.XX            OTHER:** Costs incurred for other uses not otherwise defined in the general and administrative operations.

**781.99.XX            RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**78X.XX GENERAL AND ADMINISTRATIVE (G & A) EXPENSES** - The sum of accounts 781 and 783 less 785 should be shown separately in the operating expenses of the financial statements. Account 787 is combined with other operations.

**783.XX MAINTENANCE G & A (DIRECT COSTS):** Expenses which are directly related to the entity's upkeep of physical properties in condition for use or occupancy. NOTE: Repairs to specific equipment and facilities may be included in these accounts using the sixth and succeeding digits available within each category.

**783.10.XX SALARIES/LABOR:** Costs incurred for personal services rendered by employees, in connection with general and administrative maintenance, in accordance with the rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime, hazardous duty or other compensations construed to be salaries and labor. Subdivide this account as necessary for local purposes (e.g., regular pay, overtime pay, sick pay, vacation pay, shift differential, and other taxable compensation).

**783.11.XX REGULAR** (Straight-Pay)

**783.12.XX OVERTIME**

**783.20.XX BENEFITS:** Employees benefits incurred by the employer as part of the conditions of employment. Subdivide as needed for local purposes (e.g., insurance, OASI [FICA]--employer portion, pension retirement, unemployment compensation, uniform's and clothing, worker's compensation, medical, leave accruals, and other post employment benefits).

**783.21.XX SOCIAL SECURITY (FICA)**

**783.22.XX WORKER'S COMPENSATION (L & I)**

**783.23.XX UNEMPLOYMENT COMPENSATION**

**783.24.XX PENSION (PERS/LEOFF)**

**783.25.XX INSURANCE** (Health, Life, Disability)

**783.26.XX LEAVE** (Vacation, Sick, Etc.)

**783.30.XX OUTSIDE SERVICES:** Costs incurred for services in connection with general and administrative maintenance (e.g., custodians, plumbers, electricians, legal).

**783.31.XX LEGAL**

**783.40.XX SUPPLIES:** Costs incurred for articles and commodities purchased for consumption in connection with general and administrative maintenance (e.g., paint, small tools, lumber, office, computer, janitorial).

**783.41.XX OFFICE/COMPUTER**

**783.42.XX JANITORIAL**

**783.43.XX FUEL AND LUBRICANTS**

**PORT DISTRICT**  
Expense Account Definitions

**783.XX    GENERAL AND ADMINISTRATIVE - MAINTENANCE EXPENSES**

**783.50.XX            EQUIPMENT RENTALS:** Costs incurred for rented equipment used in connection with general and administrative maintenance.

**783.60.XX            FACILITY RENTALS:** Costs incurred for rented facilities used in connection with general and administrative maintenance.

**783.70.XX            GENERAL AND ADMINISTRATIVE (DIRECT):** Costs incurred in connection with general and administrative maintenance.

|                  |                         |
|------------------|-------------------------|
| <b>783.71.XX</b> | <b>RESERVED</b>         |
| <b>783.72.XX</b> | <b>TRAVEL</b>           |
| <b>783.73.XX</b> | <b>INSURANCE</b>        |
| <b>783.74.XX</b> | <b>ADVERTISING</b>      |
| <b>783.75.XX</b> | <b>MEMBERSHIPS/DUES</b> |
| <b>783.79.XX</b> | <b>OTHER</b>            |

**783.80.XX            UTILITIES:** Costs incurred for heat, light, power, and water consumed in connection with general and administrative maintenance.

|                  |                                |
|------------------|--------------------------------|
| <b>783.81.XX</b> | <b>WATER</b>                   |
| <b>783.82.XX</b> | <b>ELECTRICITY</b>             |
| <b>783.83.XX</b> | <b>SEWER</b>                   |
| <b>783.84.XX</b> | <b>STEAM</b>                   |
| <b>783.85.XX</b> | <b>SURFACE WATER TAX</b>       |
| <b>783.86.XX</b> | <b>GARBAGE COLLECTION</b>      |
| <b>783.87.XX</b> | <b>NATURAL GAS/PROPANE/OIL</b> |
| <b>783.88.XX</b> | <b>TELECOMMUNICATIONS</b>      |
| <b>783.89.XX</b> | <b>OTHER</b>                   |

**783.90.XX            OTHER:** Costs incurred for other uses not otherwise defined in the general and administrative maintenance.

**783.99.XX            RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**78X.XX GENERAL AND ADMINISTRATIVE (G & A) EXPENSES** - The sum of accounts 781 and 783 less 785 should be shown separately in the operating expenses of the financial statements. Account 787 is combined with other operations.

**785.XX GENERAL AND ADMINISTRATIVE:** Expenses which are not chargeable directly to a particular operating function or to other accounts.

**785.00.XX GENERAL AND ADMINISTRATIVE (ALLOCATED):** Costs incurred for General and Administrative expenses allocated in connection with operations (e.g., Airport, Marina, Marine Terminal, etc.). The credit balance in this account should equal the sum of accounts 715, 725, 735, and 765.

**785.10.XX RESERVED** (use 785.00)

**785.20.XX RESERVED** (use 785.00)

**785.30.XX RESERVED** (use 785.00)

**785.40.XX RESERVED** (use 785.00)

**785.50.XX RESERVED** (use 785.00)

**785.60.XX RESERVED** (use 785.00)

**785.70.XX RESERVED** (use 785.00)

**785.80.XX RESERVED** (use 785.00)

**785.90.XX RESERVED** (use 785.00)

**PORT DISTRICT**  
Expense Account Definitions

**78X.XX GENERAL AND ADMINISTRATIVE (G & A) EXPENSES** - The sum of accounts 781 and 783 less 785 should be shown separately in the operating expenses of the financial statements. Account 787 is combined with other operations.

**787.XX DEPRECIATION:** Portion of the cost of a fixed asset which is charged as an expense during a particular period.

**787.00.XX DEPRECIATION:** Costs of depreciation expense, for all classes of depreciable property, incurred in connection with general and administrative operations.

**787.10.XX RESERVED** (use 787.00)

**787.20.XX RESERVED** (use 787.00)

**787.30.XX RESERVED** (use 787.00)

**787.40.XX RESERVED** (use 787.00)

**787.50.XX RESERVED** (use 787.00)

**787.60.XX RESERVED** (use 787.00)

**787.70.XX RESERVED** (use 787.00)

**787.80.XX RESERVED** (use 787.00)

**787.90.XX RESERVED** (use 787.00)



**PORT DISTRICT**  
Expense Account Definitions

**78X.XX GENERAL AND ADMINISTRATIVE EXPENSES**

**789.XX OTHER:** Expenses incurred from other uses not otherwise included in accounts 781 thru 788.

**789.10.XX RESERVED**

**789.20.XX RESERVED**

**789.30.XX RESERVED**

**789.40.XX RESERVED**

**789.50.XX RESERVED**

**789.60.XX RESERVED**

**789.70.XX RESERVED**

**789.80.XX RESERVED**

**789.90.XX RESERVED**

**PORT DISTRICT**  
Expense Account Definitions

**79X.XX NONOPERATING EXPENSES**

**799.XX OTHER:** Expenses incurred from other uses not otherwise included in accounts 791 thru 798.

**799.10.XX RESERVED** (use 799.90)

**799.20.XX RESERVED** (use 799.90)

**799.30.XX RESERVED** (use 799.90)

**799.40.XX RESERVED** (use 799.90)

**799.50.XX RESERVED** (use 799.90)

**799.60.XX RESERVED** (use 799.90)

**799.70.XX RESERVED** (use 799.90)

**799.80.XX RESERVED** (use 799.90)

**799.90.XX OTHER:** Costs incurred for other uses not otherwise defined in nonoperating functions.

**799.91.XX INTEREST EXPENSE:** Costs incurred in connection with debt issued or assumed (e.g., G.O. Bonds, Revenue Bonds)

**799.92.XX ELECTION EXPENSE:** Costs incurred in connection with elections of officials, and bond or other propositions submitted to the voters.

**799.98.XX ENVIRONMENTAL EXPENSE:** Costs incurred in connection with remedial environmental impacts. Nonremedial costs will be charged to the proper expense accounts.

**799.99.XX RESERVED**

Chapter 1.        General Accounting Procedures  
Section 1.        Principles

The following principles are basic rules of accounting and financial reporting for unclassified districts.

ACCOUNTING AND REPORTING CAPABILITIES

1.        A governmental accounting system must make it possible to determine and demonstrate compliance with finance-related legal and contractual provisions.

FUND ACCOUNTING SYSTEMS

2.        Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

TYPES OF FUNDS

3.        Presented below is a system to classify all funds used by districts. (The governmental funds, since not used by the districts, are omitted from the list.)

Proprietary Funds

Enterprise Funds - to account for operations (a) that are normally financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenditures incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

NOTE: Separate funds are not required even though bond covenants may stipulate a "bond reserve fund," bond construction fund," etc. The bond covenant use of the term "fund" is not the same as the use in governmental accounting. For bond covenants, "fund" means only a segregation or separate account, not a self-balancing set of accounts.

Internal Service Funds - to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) nonexpendable trust funds, (b) pension trust funds, (c) expendable trust funds, and (d) agency funds. Nonexpendable and pension trust funds often involve more complex administrative and financial functions than do expendable trust and agency funds.

## NUMBER OF FUNDS

4. Districts should establish and maintain the minimum number of funds consistent with legal and operating requirements. Unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.

Note that judicious use of department, program, and other subsidiary coding can often satisfy legislative intent.

## BUDGETING, BUDGETARY CONTROL, AND BUDGETARY REPORTING

5.
  - a. An annual budget must be adopted by every district.
  - b. The accounting system should provide the basis for appropriate budgetary control.

## COMMON TERMINOLOGY AND CLASSIFICATION

6. A common terminology and classification should be used consistently throughout the budgeting, accounting, and financial reporting.

## ANNUAL FINANCIAL REPORTS

7.
  - a. Annual reporting requirements are prescribed by the State Auditor's Office. See Part 4 for details.

## INTRODUCTION

This section contains the internal control standards to be followed by local governments in establishing and maintaining systems of internal control. Internal control systems are to reasonably ensure that the following objectives are achieved:

- ✓ Expenses and commitments comply with applicable law.
- ✓ Assets are safeguarded against waste, loss, unauthorized use, and misappropriation.
- ✓ Transactions are recorded properly so that reliable financial and statistical reports can be prepared and accountability for assets is maintained.

The following concept of internal control is useful in understanding and applying the internal control standards set forth and discussed on succeeding pages:

An internal control system consists of the plan of organization and methods and procedures adopted by management to ensure that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data are obtained, maintained, and fairly disclosed in reports.

The ultimate responsibility for good internal controls rests with management. Internal controls should not be looked upon as separate, specialized systems. Rather, they should be recognized as an integral part of each system that management uses to regulate and guide its operations. In order to ensure the proper conduct of government business, management must periodically review its internal control systems. This review should be sufficient in scope to provide the answers to several basic questions:

- Are the systems we have in place adequate to manage and account for our resources, meet our goals and objectives, and insure compliance with state and federal regulations?
- Is there an audit trail from our reports to our source documents or will we have to rely on someone to “remember” the facts?
- Are all our departments properly using the systems we have in place and are they complying with our internal policies and procedures?
- Have we strengthened our system of internal control by segregating duties among our employees to provide crosschecks and by providing for the physical security of our assets (e.g., official prenumbered receipts, locking cash drawers, regular inventories, etc.) to the maximum extent practicable?

These are the broad questions the auditor will also seek to answer through the course of his/her audit. If you are satisfied with the results of the review, then there is a much greater likelihood that the auditor will also be satisfied. If you identify problem areas, then you have an opportunity to discuss them with the auditor and to correct them before he/she is obliged to comment on the problems in the audit.

The following internal control standards, based on those established by the U.S. General Accounting Office, define the minimum level of quality acceptable for internal control systems in operation and constitute the criteria against which systems will be evaluated. These internal control standards apply to all operations and administrative functions but are not intended to limit or interfere with duly granted authority related to development of legislation, rulemaking, or other discretionary policymaking in an entity.

## INTERNAL CONTROL STANDARDS

### GENERAL STANDARDS

General internal control standards apply to all aspects of internal controls.

#### REASONABLE ASSURANCE

*Internal control systems are to provide reasonable assurance that the objectives of the systems will be accomplished.*

The standard of reasonable assurance recognizes that the cost of internal control should not exceed the benefit derived. Reasonable assurance equates to a satisfactory level of confidence under given considerations of costs, benefits, and risks. The required determinations call for judgment to be exercised.

In exercising that judgment, districts should:

- Identify (1) risks inherent in district operations, (2) criteria for determining low, medium, and high risks, and (3) acceptable levels of risk under varying circumstances.
- Assess risks both quantitatively and qualitatively.

Cost refers to the financial measure of resources consumed in accomplishing a specified purpose. Cost can also represent a lost opportunity, such as a delay in operations, a decline in service levels or productivity, or low employee morale. A benefit is measured by the degree to which the risk of failing to achieve a stated objective is reduced. Examples include increasing the probability of detecting fraud, waste, abuse, or error; preventing an improper activity; or enhancing regulatory compliance.

#### APPROPRIATE ORGANIZATION STRUCTURE AND COMPETENT PERSONNEL

*The organization of an agency is to provide its management with the overall framework for planning, directing, and controlling its operations. Good internal control requires clear lines of authority and responsibility; appropriate reporting relationships; and appropriate separation of authority.*

*Managers and employees are to have personal and professional integrity and are to maintain a level of competence that allows them to accomplish their assigned duties, as well as understand the importance of developing and implementing good internal controls.*

The standards require managers and their staff to maintain and demonstrate (1) personal and professional integrity, (2) a level of skill necessary to help ensure effective performance, (3) an understanding of internal controls sufficient to effectively discharge their responsibilities, and (4) adequate supervision, training, and motivation of employees.

Many elements influence the integrity of managers and their staff. For example, personnel should periodically be reminded of their obligations under an operative code of conduct.

In addition, hiring and staffing decisions should include pertinent verification of education and experience and, once on the job, the individual should be given the necessary formal and on-the-job training. Managers who possess a good understanding of internal controls are vital to effective control systems.

Counseling and performance appraisals are also important. Overall performance appraisals should be based on an assessment of many critical factors, one of which should be the implementation and maintenance of effective internal controls.

### CONTROL OBJECTIVES

*Internal control objectives are to be identified or developed for each district activity and are to be logical, applicable, and reasonably complete.*

This standard requires that objectives be tailored to a district's operations. All operations can generally be grouped into one or more categories called cycles. A cycle comprises all the specific activities (such as identifying, classifying, recording, and reporting information) required to process a particular transaction or event. Cycles should be compatible with a district's organization and division of responsibilities.<sup>1</sup>

Cycles can be categorized in various ways. For example:

- Management
- Financial
- Program (operational)
- Administrative

Management cycles cover the overall policy and planning, organization, data processing, and audit functions. Financial cycles cover the traditional control areas concerned with the flow of funds (revenues and expenses), related assets and financial information. Program (operational) cycles are those activities that relate to the mission(s) of the district and which are peculiar to a specific district. Administrative cycles are those activities providing support to the district's primary mission, such as library services, mail processing and delivery, and printing. The four types of cycles obviously interact, and controls over this interaction must be established. For example, a typical grant cycle would be concerned with eligibility and, if awarded, administration of the grant. At the time of award, the grant (program) and disbursement (financial) cycles would interface to control and record the payment authorization.

Complying with this standard calls for identifying the cycles of operations and analyzing each in detail to develop the cycle control objectives. These are the internal control goals or targets to be achieved in each cycle. The objectives should be tailored to fit the specific operations and be consistent with the overall objectives of internal controls.

### CONTROL TECHNIQUES

*Internal control techniques are to be effective and efficient in accomplishing their internal control objectives.*

Internal control techniques are the mechanisms by which control objectives are achieved. Techniques include, but are not limited to, such things as specific policies, procedures, plans of organization (including separation of duties), and physical arrangements (such as locks and fire alarms). This standard requires that internal control techniques continually provide a high degree of assurance that the internal control objectives are being achieved. To do so they must be effective and efficient.

To be effective, techniques should fulfill their intended purpose in actual application. They should provide the coverage they are supposed to and operate when intended. As for efficiency, techniques should be designed to derive maximum benefit with minimal effort. Techniques tested for effectiveness and efficiency should be those in actual operation and should be evaluated over a period of time.

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<sup>1</sup> The U.S. Office of Management and Budget has issued a suggested list of cycles and related control objectives that local governments may find useful in identifying their cycles and cycle control objectives.

## SPECIFIC STANDARDS

A number of techniques are essential to providing the greatest assurance that the internal control objectives will be achieved. These critical techniques are the specific standards discussed below.

### DOCUMENTATION

*Internal control systems and all transactions and other significant events are to be clearly documented, and the documentation is to be readily available for examination.*

This standard requires written evidence of (1) a district's internal control objectives and techniques and accountability systems and (2) all pertinent aspects of transactions and other significant events of a district. Also, the documentation must be available as well as easily accessible for examination.

Internal control documentation includes written policies, organization charts, procedural write-ups, manuals, memoranda, flowcharts, decision tables, completed questionnaires, software, and related written materials used to describe the internal control methods and measures, to communicate responsibilities and authority for operating such methods and measures, and to serve as a reference for persons reviewing the internal controls and their functioning.

Documentation of internal control systems should include identification of the cycles and related objectives and techniques, and should appear in management directives, administrative policy, and accounting manuals. Documentation of transactions or other significant events should be complete and accurate and should facilitate tracing the transaction or event and related information from its origin through the period it is in process to its final disposition.

Complying with this standard requires that the documentation of internal control systems and transactions and other significant events be purposeful and useful to managers in controlling their operations and to auditors or others involved in analyzing operations.

### RECORDING OF TRANSACTIONS AND EVENTS

*Transactions and other significant events are to be promptly recorded and properly classified.*

Transactions must be promptly recorded if pertinent information is to maintain its relevance and value to management in controlling operations and making decisions. This standard applies to (1) the entire process or life cycle of a transaction or event and includes the initiation and authorization, (2) all aspects of the transaction while in process, and (3) its final classification in summary records. Proper classification of transactions and events refers to the organization and format of information on summary records from which reports and statements are prepared.

### EXECUTION OF TRANSACTIONS AND EVENTS

*Transactions and other significant events are to be authorized and executed only by persons acting within the scope of their authority.*

This standard deals with management's decision to exchange, transfer, use, or commit resources for specified purposes under specific conditions. It is the principal means of assuring that only valid transactions and other events are entered into. Authorization should be clearly communicated to managers and employees and should include the specific conditions and terms under which authorizations are to be made. Conforming to the terms of an authorization means that employees are carrying out their assigned duties in accordance with directives and within the limitations established by management.



## SEPARATION OF DUTIES

*Key duties and responsibilities in authorizing, processing, recording, and reviewing transactions should be separated among individuals.*

To reduce the risk of error, waste, or wrongful acts or to reduce the risk of them going undetected, no one individual should control all key aspects of a transaction or event. Rather, duties and responsibilities should be assigned systematically to a number of individuals to ensure that effective checks and balances exist. Key duties include authorizing, approving, and recording transactions; issuing and receiving assets; making payments; and reviewing or auditing transactions. Collusion, however, can reduce or destroy the effectiveness of this internal control.

## SUPERVISION

*Qualified and continuous supervision is to be provided to ensure that internal control objectives are achieved.*

This standard requires supervisors to continuously review and approve the assigned work of their staffs. It also requires that they provide their staffs with the necessary guidance and training to help ensure that errors, waste, and wrongful acts are minimized and that specific management directives are achieved.

Assignment, review, and approval of staff work requires

- clearly communicating the duties, responsibilities, and accountabilities assigned each staff member;
- systematically reviewing each member's work to the extent necessary; and
- approving work at critical points to ensure that work flows as intended.

Assignment, review, and approval of staff work should result in the proper processing of transactions and events including (1) following approved procedures and requirements, (2) detecting and eliminating errors, misunderstandings, and improper practices, and (3) discouraging wrongful acts from occurring or from recurring.

## ACCESS TO AND ACCOUNTABILITY FOR RESOURCES

*Access to resources and records is to be limited to authorized individuals, and accountability for the custody and use of resources is to be assigned and maintained. Periodic comparison shall be made of the resources with the recorded accountability to determine whether the two agree. The frequency of the comparison shall be a function of the vulnerability of the asset.*

The basic concept behind restricting access to resources is to help reduce the risk of unauthorized use, loss to the government, and to help achieve the directives of management. However, restricting access to resources depends upon the vulnerability of the resource and the perceived risk of loss, both of which should be periodically assessed. For example, access to and accountability for highly vulnerable documents, such as check stocks, can be achieved by:

- keeping them locked in a safe,
- assigning or having each document assigned a sequential number, and
- assigning custodial accountability to responsible individuals.

Other factors affecting access include the cost, portability, exchangeability, and the perceived risk of loss or improper use of the resource. In addition, assigning and maintaining accountability for resources involves directing and

communicating responsibility to specific individuals within an agency for the custody and use of resources in achieving the specifically identified management directives.

### **THE AUDIT RESOLUTION STANDARD**

*Managers are to (1) promptly evaluate findings and recommendations reported by auditors, (2) determine proper actions in response to audit findings and recommendations, and (3) complete, within established time frames, all actions that correct or otherwise resolve the matters brought to management's attention.*

The audit resolution standard requires managers to take prompt, responsive action on all findings and recommendations made by auditors. Responsive action is that which corrects identified deficiencies. Where audit findings identify opportunities for improvement rather than cite deficiencies, responsive action is that which produces improvements.

The audit resolution process begins when the results of an audit are reported to management, and is completed only after action has been taken that (1) corrects identified deficiencies, (2) produces improvements, or (3) demonstrates that audit findings and recommendations are either invalid or do not warrant management action.

Auditors are responsible for following up on audit findings and recommendations to ascertain that resolution has been achieved. Auditors' findings and recommendations should be monitored through the resolution and follow up processes. Top management should be kept informed through periodic reports so it can assure the quality and timeliness of individual resolution decisions.

Chapter 1. General Accounting Procedures  
Section 3. Electronic Funds Transfer

Electronic Funds Transfer (EFT) is the deposit to or disbursement from a bank account by means of wire or other electronic communication. RCW 39.58.150 governs the circumstances under which electronic fund transfers may be used. The following procedures are necessary for proper accounting:

1. Receiving money by the EFT:

- a. Prepare a treasurer's receipt upon receiving a notice from the payor that the money has been transferred to the district's bank account. Do not wait for the bank to notify you of receipt of the money. However, you may want to contact your bank to confirm the expected amount has arrived.

Enter the following information on the receipt:

Date of receipt.  
Name of person, company or agency transferring money into the district's account.  
BARS revenue account number.  
Notation that funds were received by the EFT.

- b. A file must be maintained of those payors who have agreed in writing to transfer money to the district's account electronically.

2. Disbursing money by the EFT:

- a. Prepare a record which shows:

Chronological number of the EFT payment.  
Time and date of disbursement.  
Payee - name, address and account number.  
Amount of disbursement.  
Purpose of disbursement.  
BARS expense account number.  
Disbursing bank's unique transaction identification number, if available.  
Receiving bank or financial institution's identification number.

- b. A file must be maintained of authorizations signed by payees who have agreed to have money transferred to accounts electronically.
- c. The treasurer should notify the disbursing bank that access to files, records and documentation of all EFT transactions involving the district should be provided to the State Auditor when required for the audit.

1. Accounting For State Unemployment Tax Or Claims (RCW 50.44.030)

All local governments have a choice between either the tax basis or reimbursement basis for making payments to the Department of Employment Security (DES). The accounting procedures for the two options, by type of local government, are detailed below:

OPTION 2 - REIMBURSEMENT BASIS

All local governments may use Option 2. Under this option, the DES will pay unemployment claims and then bill the local governments for reimbursement.

Method A Create an internal service fund for unemployment. The purpose of this fund is to receive periodic cash contributions from operating funds. The amount of these cash contributions will depend on the estimate of future unemployment claims. The estimates should be adjusted periodically, based on an experience factor. There may be different rates for departments and funds within the same government. The periodic cash contributions from operating funds will be charged to the functional expense accounts in the operating funds in the same manner as benefits paid directly. Payments to the DES must be made from the internal service fund. Interest earnings on investment of the contributions may be used for the benefit of the internal service fund (thereby reducing charges to the operating funds) per RCW 35.39.034. A resolution must govern this choice.

Method B Your district may participate with other local governments in an unemployment pool or cooperative as provided for in RCW 39.34.030. If you participate in such a cooperative, the contributions from your funds should be charged as expenses functionally according to the applicable chart of accounts. In this case, the pool or cooperative will pay the billed amounts to the DES.

Rates charged to the participants should be adjusted periodically based on the experience factor of each participant.

2. Deferred Compensation Plans -- Section 457 -- Internal Revenue Code (IRC)

RCW 41.50.770 authorizes all political subdivisions to defer income for all officials and employees. This statute also allows political subdivisions to enter into agreements with certain institutions, such as banks, savings and loan associations and insurance companies, to establish deferred compensation plans for the benefit of their employees. These plans must be in conformity with the requirements of the IRC, Section 457.

Deferred compensation plans permit employees to accept less than the full amount of salary earned thus reducing their current federal income tax liability. The amount by which the salary is reduced is invested by the employer and upon retirement, disability, termination, unforeseen emergency, or death may be withdrawn by the employees or their beneficiaries.

The establishment of a deferred compensation plan requires a long-term commitment of resources to administer the plan. In addition, the plan must be established correctly and administered properly so that the Internal Revenue Service (IRS) does not rule that the plan is not in conformity with the requirements of the IRC, Section 457.

Because of the many plans available, it is strongly recommended that any local government which intends to establish a deferred compensation plan seek legal counsel to determine conformance with the IRC, Section 457, and obtain approval of the chosen plan by the district.

Caution should be exercised in implementing a plan, not only to protect the employer's legal liability, but also to prevent undue administrative complexities. No one can identify all problem areas of deferred compensation plans and their administration, as many problems may surface as a result of choosing a particular carrier, product or administrative system. Some major administrative requirements are as follows:

a. Make Written Agreements With Plan Administrator

All deferred compensation plans should provide for written agreements which clearly define the duties and responsibilities of the employer and the administering department or company.

b. Keep An Employee File For Each Employee

A file to keep a deferred compensation record for each participating employee is necessary. Most carriers will provide the forms and basic accounting information for the employer, but the employer is responsible for maintenance of the files. However, if the administering company provides such a record to the district, a copy of that record may be maintained in lieu of the district creating such a record.

The participating employees must complete and sign joinder agreements stipulating the amount of their gross salaries or wages to be deferred. The district should also maintain a written agreement which details any liability of the employer to the employee as a general creditor for contributions, fees, charges, earnings, losses and withdrawals.

c. Withdrawals

The procedures for withdrawals should be clearly defined and the employer should be very careful in accepting any employee requests for amounts to be withdrawn from accumulated deferred compensation assets for unforeseeable emergencies, as any employee withdrawal granted which does not qualify under the IRC, Section 457 could cause the entire deferred compensation plan for all employees to be considered in violation and invalid by the IRS.

Normally, all withdrawals as a result of retirement, disability, termination, unforeseen emergency or death, will be paid to the employer by the bank, credit union, or other institution (the agent) with which the employer (the principal) has the agreement.

In such cases, the employer will receipt for the payment referred to above, deduct the appropriate amount for federal income tax withholding and disburse the remaining amount to the employee, former employee or beneficiary as applicable. The employer will then remit the federal income tax withheld to the IRS or to the official depository as it presently is required to do. The employer will issue W-2 forms to the participants in the plan who have received payments of deferred income.

The W-2 will show the gross payment made to the participant or beneficiary and any deductions made.

However, the IRS has approved some plans whereby the administering company acts as agent for payments to the employees, issuance of W-2 forms and remittances to the IRS. Such IRS approved plans, which are still in conformance with the requirements of the IRC, Section 457, will be permitted.

d. Maximum Contribution

Unless the employee is within three years of retirement, the maximum amount that can be deferred is the lesser of 33-1/3% of compensation or \$7,500.00. This is the *normal limitation*.

During the last three years prior to retirement, the employee may use the *catch-up limitation* which is the lesser of:

- (1) The *normal limitation*, plus that portion of the normal limitation not used in prior years,  
or
- (2) \$15,000.

Examples of how these limitations are applied are contained in the IRC, Section 457.

e. Plan Assets Belong To The Local Governmental Unit

All deferred compensation assets must be considered to be the assets of the political subdivision subject only to the claims of its general creditors. At the same time, the political subdivision has a liability to its participating employees in an equal amount.

f. Budget Salaries And Wages In Year Earned

All districts should budget the gross salaries and wages including the deferred compensation amounts as expenses of the year in which the salaries or wages are earned. No budget is required for earnings on these assets, administrative fees or employee withdraws accumulated deferred compensation assets.

g. County Treasurer's Fee

County treasurers will not charge an investment service fee pursuant to RCW 36.29.020 unless he/she manages the investments.

Chapter 1. General Accounting Procedures  
Section 5. Petty Cash (Incidental Expense Fund - RCW 53.36.060)

Petty cash includes change funds, working funds, revolving, advance travel, stamp funds, check cashing funds, etc.; in other words, any sum of money or other resources set aside for such specific purposes as minor disbursements, making change, and similar uses (i.e., imprest fund). If the petty cash is disbursed, it is periodically restored to its original amount by a warrant. The amount of the warrant should equal the aggregate of the disbursements.

The following are minimum requirements for the establishment and operation of petty cash accounts.

1. The port commission must authorize cash account by a resolution. This applies also to all subsequent increases or decreases in the imprest amount.
2. The port commission or its delegate must appoint one custodian of each petty cash account who should be independent of invoice processing, check signing, general accounting and cash receipts functions. As part of the appointment, the custodian should render a receipt for the imprest amount to the treasurer or district's auditor from whom he/she receives it.

When it is not practical to hire additional personnel or to reallocate these duties among existing personnel, the legislative body must establish some mechanism of review that accomplishes the objectives of the segregation of duties. For example, periodic monitoring of cash receipts and/or independent performance of the bank reconciliation add controls when complete segregation of duties is not possible.

3. The port commission or its delegate should assure that the amount in petty cash is periodically counted and reconciled by someone other than the custodian.
4. The custodian should assure the petty cash is kept in a safe place.
5. The imprest amount may be established by treasurer's check by warrant. If established by warrant the transaction is a nonbudgetary item.
6. The authorized amount of all such petty cash should be included in the district's balance sheet.
7. If petty cash is disbursed, it must be replenished at least monthly by warrant or check payable to the custodian. The replenishment should be subject to the same review and approval as processed invoices. The replenishment must be by voucher with the appropriate receipts attached. The receipts should show the date, recipient, purpose, and amount of each cash disbursement. These receipts must be signed by the person receiving the money, stamps, etc. The receipts should be perforated or canceled by some other appropriate means to prevent reuse. At the time of replenishment, the custodian should ensure that the balance remaining in petty cash, together with the amount of the replenishment voucher, equals the authorized imprest amount.
8. The imprest amount of petty cash should not exceed one month's salary or the surety bond covering the custodian.
9. The fund may not be used for personal cash advances even if secured by check or other IOUs.
10. Petty cash should always be replenished at the end of the fiscal year so that expenses will be reflected in the proper accounting period.
11. Whenever an individual's appointment as custodian is terminated, the fund must be replenished and the imprest amount turned over to the treasurer or other disbursing officer.

Chapter 1. General Accounting Procedures  
Section 6. Voucher Certification and Approval (Chapter 42.24 RCW)

All claims against a district must be preaudited by the district's auditing officer or his/her delegate. In addition, all claims must be certified by the auditing officer. This certification may be made on each individual claim voucher or, subject to the acceptance and approval of the port commission, a blanket voucher certification may be used so long as it indicates the particular vouchers so certified. The use of a blanket certification in no way relieves the auditing officer of his/her responsibility and liability for each individual voucher so certified. The certification must be signed and dated by the auditing officer or his/her delegate. For all claims, except expense reimbursement claims certified by officers or employees, the certification must include the following language:

*I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the (district), and that I am authorized to authenticate and certify to said claim.*

The auditing officer's certification for employee/officer expense reimbursement claims must include the following language:

*I, the undersigned, do hereby certify under penalty of perjury that the claim is a just, due and unpaid obligation against the (district), and that I am authorized to certify to said claim.*

The certification by the auditing officer in no manner relieves members of the port commission from the responsibility and liability for each voucher approved. It is the port commission responsibility to ensure that the system of auditing and certifying vouchers is operating in a manner to provide the greatest possible protection for the governing body member and the district.

To indicate the port commission approval for payment of claim vouchers and payroll, the following should be entered in the minutes:

The following voucher/warrants are approved for payment:

| (Funds)                    |       |               | Total    |
|----------------------------|-------|---------------|----------|
| Voucher (warrant) numbers: | _____ | through _____ | \$ _____ |
| Payroll warrant numbers:   | _____ | through _____ | \$ _____ |

If the port commission authorizes the procedure, districts may issue warrants before the commissioners approve claims. To do this the district must enact the following policies and procedures (required in Chapter 42.24 RCW):

- (1) The auditing officer and the officer designated to sign the checks or warrants must have an official bond. The amount should be determined by the port commission but cannot be less than fifty thousand dollars (RCW 42.24.180);
- (2) The port commission should adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal control;
- (3) The port commission must review and approve the claims paid at its next regularly scheduled public meeting; and
- (4) If the port commission disapproves some claims, the auditing officer and the officer designated to sign the checks or warrants must recognize these claims as receivables of the district and pursue collection diligently until the amounts are either collected or the port commission is satisfied and approves the claims.



The port commission may stipulate that certain kinds or amounts of claims should not be paid before the legislative body has reviewed the supporting documentation and approved the issue of checks or warrants in payment of those claims.

The original copy of all vouchers should be filed with the auditing officer of the district. The detailed accounts to which the expenses are to be posted must be clearly designated. Supporting documentation must be retained and either attached to the vouchers or canceled by the auditing officer to prevent reuse.

Districts that do not issue their own warrants should send original vouchers and supporting documentation to the county auditor.

### INVESTING REQUIREMENTS

Each municipal corporation should, by action of its governing body, authorize investment of any moneys which are not required for immediate expense and which are in the custody of the county treasurer or other municipal corporation treasurer.

If the governing body has not taken any action pertaining to the investment of any such moneys, the county finance committee should direct the county treasurer to invest, to the maximum prudent extent, such moneys or any portion thereof in any of the securities mentioned below (RCW 36.29.020).

### INVESTMENT VEHICLES

All local governments (counties, cities, towns, special purpose districts, political subdivisions, municipal corporations, or quasi-municipal corporations, including any public corporation, authority, or other instrumentality created by such an entity) in Washington State are empowered by statute to invest moneys, which are eligible for investment<sup>1</sup>, in the following types of securities. (The enabling legislation is contained in Chapter 39.59 RCW.<sup>2</sup>)

- Certificates, notes, bonds or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States:
  - Treasury bills
  - Treasury bonds
  - Government National Mortgage Association bonds.
  - Small Business Administration bonds (see caution 3). (RCW 36.29.020, 43.84.080)
- State, county, municipal, or school district bonds, or warrants of taxing districts of the state. Such bonds and warrants should be only those found to be within the limit of indebtedness prescribed by law for the taxing district issuing them and to be general obligations. (RCW 36.29.020, 43.84.080)
- Motor vehicle fund warrants when authorized by agreement between the state treasurer and the Department of Transportation requiring repayment of invested funds from any moneys in the motor vehicle fund available for state highway construction. (RCW 36.29.020, 43.84.080)
- Federal Home Loan Bank notes and bonds. (RCW 36.29.020, 43.84.080)
- Federal Land Bank bonds. (RCW 36.29.020, 43.84.080)

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<sup>1</sup> Not all available money is eligible for investment as allowed by Chapter 39.59 RCW. The Attorney General (AG) Opinion No. 132 (1961-62) states that the county general (current expense) fund's money must be in the form of cash or "that which is redeemable in cash upon demand, as a matter of fixed right." The AG Memorandum to the State Auditor dated March 20, 1989, reaffirms this opinion. Warrants are not demand instruments. They are not considered to be the equivalent of cash, redeemable upon demand, as matter of right, therefore county general (current expense) fund's money cannot be invested in them.

<sup>2</sup> Chapter 39.59 RCW expands the investment authority of local governments by allowing them to invest in "any investments authorized by law for the treasurer of the state of Washington or any local government of the state of Washington other than a metropolitan municipal corporation . . ." (RCW 39.59.020(4)). The AG memorandum to the State Auditor dated November 30, 1989, clarifies the scope of this increased authority. It states that if a certain type of investment authority did not exist for local governments prior to the enactment of RCW 39.59.020, but was authorized by section (4) of that statute, the restrictions contained in sections (1), (2), and (3) of the statute do not apply to those newly granted powers of investment. Therefore, local governments may choose the least restrictive investments from the above list of authorized investments. (See caution 4.)

- Federal National Mortgage Association notes, debentures and guaranteed certificates of participation. (RCW 36.29.020, 43.84.080)
- Obligations of any other government sponsored corporation whose obligations are or may become eligible as collateral for advances to member banks as determined by the board of governors of the federal reserve system.
  - Federal Farm Credit Banks consolidated system-wide bonds and discount notes.
  - Federal Home Loan Mortgage Corporation bonds and discount notes.
  - Student Loan Marketing Association bonds and discount notes.
  - Export-Import Bank bonds.
  - Maritime Administration bonds. (RCW 36.29.020, 43.84.080)
- Bankers' acceptances purchased on the secondary market. (RCW 36.29.020, 43.84.080)
- Negotiable certificates of deposit of any national or state commercial or mutual savings bank or savings and loan association doing business with the United States. The investment should meet the criteria set by the State Investment Board. (RCW 36.29.020, 43.84.080)
- Commercial paper. The investment should meet the criteria set by the State Investment Board. (RCW 36.29.020, 43.84.080)
- Washington State Housing Finance Commission bonds. (RCW 43.180.190)
- Farm ownership and soil and water conservation loans fully guaranteed as to principal and interest under the Bankhead-Jones Farm Tenant Act and the Washington Land Bank. (RCW 43.33A.080)
- Bonds of the state of Washington and any local government in the state of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency. (RCW 39.59.020(1))
- General obligation bonds of a state other than the state of Washington and general obligation bonds of a local government of a state other than the state of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency. (RCW 39.59.020(2))
- Registered warrants of a local government in the same county as the government making the investment, subject to compliance with RCW 39.56.030. (RCW 39.59.020(3))
- Any investments (e.g., certificates of participation) authorized by law for the treasurer of the state of Washington or any local government of the state of Washington other than a metropolitan municipal corporation but, except as provided in Chapter 39.58 RCW, such investments should not include certificates of deposit (CD) of banks or bank branches not located in the state of Washington. (See caution 4.) (RCW 39.59.020(4))
- Revenue bonds and notes issued by port districts under the authority of Chapter 54.34 RCW. (RCW 53.34.150)
- Selected mutual funds and money market funds (all subject to the arbitrage provisions of Section 148 of the Internal Revenue Code or similar provision concerning the investment of state and local money and funds):
  - Mutual funds with portfolios consisting of only United States government bonds or United States government guaranteed bonds issued by federal agencies with average maturities of less than four years, or bonds described in RCW 39.59.020 (1) or (2), except that those bonds should have one of the four highest credit ratings of a nationally recognized rating agency;

- Money market funds with portfolios consisting of only bonds of states and local governments or other issuers authorized by law for investment by local governments, which bonds have at the time of investment one of the two highest credit ratings of a nationally recognized rating agency;
- Money market funds with portfolios consisting of securities otherwise authorized by law for investment by local governments. (See caution 4.) (RCW 39.59.030)
- Notes or bonds secured by mortgage (insured or with a commitment to insure in obligations of national mortgage associations) by the Federal Housing Administrator. (RCW 39.60.010)
- Debentures issued by the Federal Housing Administrator. (RCW 39.60.010)
- Bonds of the Home Owner's Loan Corporation or any other corporation which is or may be created by the United States as a governmental agency or instrumentality. (RCW 39.60.010)
- Notes, bonds, or debentures of savings and loan associations, banks, mutual savings banks, savings and loan service corporations operating with approval of the Federal Home Loan Bank, and corporate mortgage companies that are rated not less than "A" by a nationally recognized rating agency, or are insured or guaranteed and backed as required by the statute. (RCW 39.60.050)
- Bonds or warrants of the state of Washington. (RCW 35.39.030)
- General obligation or utility revenue bonds or warrants of any city or town in the state of Washington. (RCW 35.39.030)
- Bonds or warrants (RCW 35.39.030) or installment notes (RCW 35.45.150) of a city's or town's own local improvement district which are within the protection of the local improvement guaranty fund law.
- Interim financing warrants of a local improvement district which is within the protection of the local improvement guaranty fund law for the benefit of the General (Current Expense) fund. (RCW 35.39.034)
- Bonds or other obligations issued by a metropolitan municipal corporation pursuant to Chapter 35.58 RCW. (RCW 35.58.510)
- Outstanding warrants of the county tax refund fund in the same county as the government making the investment subject to the provisions of RCW 36.33.070.
- Bonds or other obligations issued by a housing authority pursuant to the housing authorities law of this state or issued by any public housing authority or agency in the United States. (RCW 35.82.220)

**NOTE:** Per an Attorney General Memorandum dated February 8, 1991, cities and towns have the authority to invest in out-of-state CDS via RCW 35.39.030(6) and RCW 43.84.080(6). Restrictions on investments contained in RCW 39.59.020 do not apply to investment authority existing prior to the enactment of that statute (1988). Accordingly, local governments other than cities or towns would be restricted to investment in in-state CDS since they did not possess this authority prior to the enactment of RCW 39.59.020(4).

In addition to the securities listed above, municipalities may invest excess moneys in the Washington State Treasurer's Investment Pool (Chapter 43.250 RCW). The governing body of the municipality must authorize participation by passing an ordinance or resolution.

## PUBLIC DEPOSITORIES

Except for funds deposited pursuant to a fiscal agency contract with the state fiscal agent or its correspondent bank, no public funds may be deposited in demand or investment deposits except in a qualified public depository or as otherwise permitted by statute. Total deposits of a treasurer in a depository may not exceed that depository's net worth (RCW 39.58.130).

A financial institution receives designation as a public depository from the Public Deposit Protection Commission (PDPC). This designation is readily verified, either from the institution (a letter of authority from the Commission) or from the PDPC. The PDPC publishes a quarterly list of each qualified depository and its net worth. This list will be furnished upon request by writing to:

Public Deposit Protection Commission  
Office of State Treasurer  
General Administration Building  
PO Box 40206  
Olympia, WA 98504-0206

## CAUTIONS

### 1. Investments Allowed By Debt Covenants May Be More Restrictive Than Statutes

The debt covenants contained in bond indentures and the provisions of other agreements may be more restrictive than the statutes about the types of investments permitted for certain moneys.

### 2. Avoid Conflicts With The Laws Of Other States

Some corporations have sold instruments in Washington which require the issuer or holder to comply with laws of other states. It is questionable whether it is prudent or appropriate for a public treasurer in Washington to enter into such agreements.

### 3. SBA Loans Are Inherently Risky

In order for a business to qualify for a Small Business Administration (SBA) loan, it must usually have been unable to obtain credit at a financial institution. Hence, SBA obligations backed by SBA loans have weaker underlying credit than the standards in the money market. Although these loans are guaranteed by the federal government, default does not result in immediate liquidation. Some SBA investors are holding paper while the loan is "worked out." Also, federal guarantees do not extend to points paid.

### 4. State Constitution Prohibits Some Investments

Article VIII, Sections 5 and 7, and Article XII, Section 9 prohibit the state and local governments in the State from extending credit, giving money or property, or loaning money to individuals, associations, companies, or corporations. Therefore, except for the following exceptions, treasurers should not invest in stock of private companies or other investments which appear to be prohibited. Article XXIX, Section 1, provides that public pension, retirement, and industrial insurance trust funds be the ONLY exceptions, thus allowing any investment authorized by law. Any investment holdings in violation of the Constitution will be challenged.

### 5. PDPC Covers Losses As Provided By Statute

All public deposits in qualified public depositories are protected from loss as provided in Chapter 39.58 RCW, but there are some limitations. In the event of a loss due to default of a qualified public depository, the PDPC would:

- a. Determine the net deposit liability of the defaulting institution after FDIC coverage.
- b. Make assessments against all bank depositories or all thrift depositories, depending on whether the defaulting institution was a bank or a thrift institution:
  - First, against the defaulting institution to the full extent of securities pledged as collateral.
  - Second, against all other bank or thrift depositories, for their proportionate share of the loss, up to a maximum of 10 percent of each institution's public deposits. (RCW 39.58.060(3); 39.58.010(6).)
- c. Represent all public treasurers for liquidation of the defaulting institution's assets to recover the remaining net deposit liability, if any exists after assessments against all bank or thrift depositories.

Treasurers should be aware that in the event of a default of a qualified depository, the funds in that institution could be tied up until deposit balances are certified and assessments are collected (RCW 29.58.060). Diversification of investments among various bank and thrift institutions could help alleviate potential cash flow problems.

#### 6. Properly Name Accounts For Insurance Coverage

In order to maximize insurance coverage from FDIC care should be exercised to properly name deposit accounts so that ownership of such accounts is clear.

#### 7. Consult Your Bond Counsel For Guidance On Arbitrage Restriction

The Tax Reform Act of 1986 placed tighter restrictions on tax-exempt bonds. Penalties for noncompliance include fines and, possibly, retroactive taxation on the bonds.

#### 8. Repurchase Agreements Require Proper Procedures to Avoid Loss

Recent losses suffered by local governments indicate the need for treasurers to participate in repurchase agreements (repos) with adequate procedures and knowledge of the mechanics of repo transactions.

##### a. Treasurer Must Have Control Of Securities In Repos

Each repo must be structured so that one of the following events occurs for the period of time that the repo is effective:

- (1) Either of the procedures called DVP (delivery versus payment) whereby:
  - a) The treasurer obtains physical delivery of the underlying securities; OR
  - b) The underlying securities are delivered to a third party, such as a safekeeping bank acting as an agent for the public treasurer; OR
- (2) The underlying securities are delivered to a bank's trust division (not within its operating division) for the account of the public treasury, when the repo is being done with the same institution.

This delivery may be made either physically or by book entry. Book entry is a system of handling securities. The Federal Reserve Bank's system is a securities safekeeping arrangement between the Fed and its customers. All US government agencies' issues exist only in book entry form, in computerized files, rather than in definitive (engraved paper) form. Under the system, book entry securities are transferred electronically between accounts based on input from the depository institution transferring securities from its account.

b. Do Not Invest In “Pooled” Or “Master” Repos

Some dealers offer repos where a treasurer invests in a pool of securities held by a trustee. Statements from the trustee list the securities; however, no “owner” is listed on the statement. The statements only reference a pool number. Treasurers have no way to assure themselves that the dealer has not oversold the securities. In the event of a dealer’s default, the treasurer may discover the pool does not cover all of the claims of its investors. Where securities involved in repos are being held by trustees or a bank’s trust division, the treasurer must require that the securities be held in his or her name.

c. Market Value Of Securities Should Cover The Investment

Treasurers should assure themselves that they are adequately protected from a sudden decline in the market value of the securities they have purchased. Some authorities recommend that the market value of the underlying securities exceed the amount to be received at the end of the agreement, thus protecting principal and interest. It is common practice in the industry for an excess of market value over the cash paid, called a market or “haircut”, to be built into the agreement to protect against declines in the market value of the underlying securities.

The local treasurer should review (reprice) the market value of the underlying securities periodically to make sure it has not fallen below an acceptable level, placing part of the entity’s principal and earnings at risk. Should such a decline in value occur, additional securities should be obtained or part of the entity’s principal should be recovered. The size of the margin built into the agreement should reflect the price volatility of the underlying securities, the frequency of repricing, and the length of the repo.

d. Evaluate Financial Position Of Security Dealers

Treasurers should screen and evaluate the integrity of dealers from whom they will purchase securities. Many dealers are unregulated. Many authorities recommend that treasurers deal only with the primary security dealers. Dealers of money market or mutual funds must have bonds posted with the Risk Management Office of the Department of General Administration per RCW 39.59.010.

e. Obtain Written Contracts

Local governments should establish their rights in repos through written contracts. A written contract will specify, among other things, the right of the local government to liquidate the underlying securities in the event of default by the dealer and directions for the delivery of the underlying securities. This written contract may take the form of a master agreement covering all future transactions or a transaction agreement covering a single transaction.

Local governments should also have a written contract with a custodial agent, usually a bank, specifying the responsibilities of that third party. Such a written contract, called a custodial agreement ensures that the entity’s custodian is an independent third party to the repo transaction. Among the custodial responsibilities that may be specified in a written contract are:

- 1) The custodian’s responsibility to disburse cash for repos only on delivery of the underlying securities;
- 2) The custodian’s responsibility to obtain additional securities if the required margin on the repo agreement is not maintained;
- 3) The custodian’s responsibility for periodic reporting to the entity on the market value of the securities.

f. Beware Of Pitfalls

No treasurer should participate in repos without a thorough knowledge and understanding of what repos are and how they work. Every treasurer should be aware of the pitfalls and why other governments have suffered losses.

NOTE: The BARS material on investments is intended to inform local treasurers of the State Auditor's current audit standards and to provide information on current legal authority questions and on prudent investment standards. This material does not constitute a legal opinion on the validity of any particular investment. The State Auditor does not intend to imply that a treasurer who follows the standards set forth in these materials will thereby avoid any possibility of a loss of public funds. Each treasurer must exercise his or her best professional judgment in selecting particular investments, relying where appropriate on legal and other professional assistance.



Chapter 1. General Accounting Procedures  
Section 8. Issuance Of Duplicate Instruments (Chapter 39.72 RCW and RCW 43.08.064, .066, .068)

Before a duplicate instrument is issued, the issuing officer should require the person making application for its issue to file in his/her office a written affidavit specifically alleging on oath that he/she is the proper owner, payee, or legal representative of such owner or payee of the original instrument, giving the date of issue, the number, amount, and for what services or claim or purpose the original instrument or series of instruments of which it is a part was issued, and that the same has been lost or destroyed, and has not been paid or received by him/her.

The following is a sample for use by the districts.

AFFIDAVIT

STATE OF WASHINGTON, )

ss,

County of \_\_\_\_\_)

I, \_\_\_\_\_, being first duly sworn upon oath, depose and say that I am the proper owner, payee, or legal representative of such owner or payee of \_\_\_\_\_, original \_\_\_\_\_ No. \_\_\_\_\_, dated \_\_\_\_\_ (District) (Describe Instrument) \_\_\_\_\_, in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) which said instrument was issued in payment for \_\_\_\_\_ and that the same has been lost or destroyed and has not been paid.

Signature \_\_\_\_\_

Witnessed by me this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

Witness <sup>1</sup> \_\_\_\_\_

Residing at \_\_\_\_\_

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<sup>1</sup> A district may require the affidavit to be signed by a notary public.

Chapter 2. Port District Specific Issues  
Section 1. Promotional Hosting

Promotional hosting means furnishing customary meals, refreshments, lodging, transportation or any combination of those items in connection with:

business meetings,  
social gatherings, and  
ceremonies honoring persons or events,

relating to the authorized business promotional activities of a port. Hosting may also include reasonable, and customary entertainment, and souvenirs of nominal value, all incidental to such events.

Promotional hosting must be explicitly related to promoting trade and industrial development.

RCW 53.36.120 authorizes expenditures for industrial development, trade promotion, and promotional hosting and requires that such expenditures be "... pursuant to specific budget items as approved by the port commission...." Section 53.36.130 limits funds for promotional hosting expenses to a formula based upon total gross operating revenues. Section 53.36.140 requires the port commission to adopt written rules and regulations governing promotional hosting expenses, and RCW 53.36.150 directs the State Auditor to audit promotional hosting expenses and to promulgate appropriate rules and definitions as a part of its uniform system of accounts.

Promotional hosting expenses should include not only money spent directly by the port officers and employees, but also money spent by contractors or consultants when a contract explicitly or by clear implication calls for contractors or consultants to engage in promotional hosting with the funds they received from the port.

Ports may host a variety of people: private individuals, union officials, foreign or U.S. government dignitaries, officials from local, Washington and other states, officials from out-of-state or in-state ports. In all cases, to correctly categorized the incurred costs as promotional hosting expenses, the port must reasonably believe that a particular individual or a group of people could sufficiently influence trade or industrial development. The indiscriminate hosting of people who have no conceivable influence in that area is a violation of the statute.

Ports should also exercise a caution regarding hosted officials and the legality of accepting gifts and gratuities (e.g., the federal employees may be prohibited from doing that). Also representatives from state or local governments are often reimbursed for expenses incurred in connection with such port events. However, if those costs are unreimbursable or when they are inseparable as practical matter from otherwise promotional activities, they can be treated correctly as appropriate promotional hosting expenditures. Above rule may also apply to the port's own officials or employees participating in the promotional event.

If a port official or employee is authorized by the port commissioners to make expenses for promotional hosting and if such hosting is done while in travel status, then that cost may be paid with moneys advanced from the *Advance Travel Expense Account*.

Chapter 2. Port District Specific Issues  
Section 2. Employee Travel (Chapter 42.24 RCW)

RCW 53.08.175 and .176 authorize port districts to reimburse their employees for necessary and reasonable travel and other business expenses.

For the purpose of the BARS, travel expense includes amounts paid for use of personal automobiles, other transportation, and actual expenses or reimbursement in lieu of actual expenses for meals, lodging, and related items.

The port commission must pass a resolution to establish rules and regulations for the reimbursement of travel expense. The rules should cover all district officials and employees. The resolution should establish procedure for approving travel expenses, purchase of transportation forms of the voucher, discuss the policy on tipping, and it should prohibit reimbursement for personal expenses and entertainment.

If any district wishes to issue credit cards for travel related expenses, the port commission must pass a resolution to establish rules and regulations that satisfy provisions of Chapter 42.24 RCW, including:

1. Submission of a fully itemized travel expense voucher by the employee or officer;<sup>1</sup>
2. Settlement by the officer or employee within 30 days of the billing date; and,
3. The establishment of a lien against salary for any disallowed charges.

Claims for reimbursement of travel expenses must contain a signed certification that includes the following language:

*I hereby certify under penalty of perjury that this is a true and correct claim for necessary expenses incurred by me and that no payment has been received by me on account thereof.*

In addition, if an officer or employee is filing a claim on behalf of others, he/she must prepare a detailed account that includes:

1. Names of the others who traveled, partook of meals, or otherwise incurred expenses.
2. Whether they were district employees and, if not, who they were and what connection they had with district business.
3. Who provided the lodging, meals or other services in question, dates and times.
4. A detailed breakdown of amounts.
5. Some statement sufficiently explicit to show what district business was being carried out when the expenses were incurred.

If a district chooses the option of using monthly reimbursements for use of personal automobiles for official business, the following procedures apply:

1. The monthly rate schedule established should be limited to officers and/or employees who actually use their personal automobiles for travel on a regular basis. It is the responsibility of the district to assure that each traveler is on official business.

---

<sup>1</sup> When the travel requires overnight lodging, port officials or employees may be reimbursed per diem in lieu of actual expenses. The payment should not exceed \$25.00 per day.

2. The rate must be based on actual costs.
3. A periodic review must be performed and documented to determine whether or not the rate continues to reflect actual costs.

If the above procedures are not followed, the reimbursement for use of personal automobiles may be treated as additional compensation. According to the Internal Revenue Service, districts could be assessed the withholding tax of the employees if the amounts advanced/reimbursed for travel were not for expenses incurred or reasonably expected to be incurred, unless these amounts are reported as taxable wages on the W-2.

If a district chooses to establish an *Advance Travel Expense Account* (Imprest Account), pursuant to RCW 42.24.120, the following procedures apply:

1. The imprest amount must be established and maintained in accordance with the procedures prescribed for petty cash (e.g., amount must be established by a resolution).
2. Upon receipt of the moneys, the custodian will open a checking account in a local bank in the name of the governmental unit entitled *Advance Travel Expense Account -- John Doe, Custodian*. Moneys received from the following sources will be deposited to the account:

From the treasurer or other disbursing officer, the total amount originally establishing the account or subsequently added; from officers and employees, refunds of any unexpended advances; and from the warrant-issuing officer, amounts that reimburse the custodian for travel expenses allowed in the settlement of employee advances.

3. The *Advance Travel Expense Account* must be used solely for travel advances, not direct payments to vendors. In other words, moneys may be advanced to an individual who is going on travel status for travel-related expenses that he/she will pay out of his/her own pocket. It must not be used for personal loans, payment of airline tickets, pre-registration fees, reimbursements to employees or officers for travel already incurred, etc.
4. A check register should be maintained to record all transactions of the account, including deposits, disbursements and bank service charges. A reconciliation should be made with the bank statement at the end of each month. When possible, the reconciliation should be made by someone other than the custodian. The balance remaining in the checking account as of a given date, together with any outstanding advances and travel expense claims on hand but not yet reimbursed, should always equal the amount established by the port commission for the account.
5. Employee advances for travel expenses should be made by the issuance of checks drawn on the special bank account, payable to the applicant. Approved requests should be retained in the files of the custodian to support such advances until final settlement is made and claim for reimbursement has been submitted. Requests for such advances should be reasonable estimates of the applicants' travel expense requirements and should contain as a minimum the following information:

Date of request  
Name of applicant  
Destination  
Purpose of travel  
Anticipated departure and return dates  
Amount requested  
Signature of applicant  
Official approval of trip  
Check number, amount and date (to be provided by the custodian when the advance is made)

6. Settlement of advances should be made on or before the fifteenth day following the close of the travel period by filing with the custodian an expense voucher as required by RCW 42.24.090. The custodian should verify

the amount shown on such form as having been advanced to the employee. In the event the traveler's actual expense is less than the amount of the advance received, his/her expense voucher will be accompanied by the unexpended portion of the advance. The expense voucher and original request for the advance should then be used to support the custodian's claim for a warrant replenishing the account for travel expenses reported. Expense vouchers containing expenses in excess of the amount advanced should be submitted in duplicate to the custodian at the time of final settlement. The original copy of the expense claim and the traveler's request for an advance should then be used to support the custodian's claim for a warrant replenishing the account. The other copy of the expense claim should be submitted to the warrant issuing officer for reimbursement of the excess to the traveler. Claims for reimbursement to the account should be submitted by the custodian periodically as needed and at the end of the fiscal year in order that all expenses incurred will be charged against the appropriations for the period then ending.

7. Any default in accounting for or repaying an advance should render the full amount which is unpaid immediately due and payable with interest at the rate of 10% per annum from the date of default until repaid. To protect against any losses on advances, the port commission should have a prior lien against and a right to withhold any and all funds payable or to become payable to such officer or employee to whom such advance has been given, up to the amount of the advance and an annual interest rate of 10% until repayment or justification is made (RCW 42.24.140). No advance of any kind may be made to any officer or employee at any time when he/she is delinquent in accounting for or repaying a prior advance.

## REPORTING REQUIREMENTS

*Pursuant to RCW 43.09.230, Annual Reports are to be certified and filed with the State Auditor's Office within 150 days after the close of each fiscal year.*

Annual Report  
State Auditor's Office  
Technical Services  
PO Box 40031  
Olympia, WA 98504-0031

The listing which follows indicates the statements and schedules required for your government. All the statements and schedules listed below are prepared on a cash or modified cash basis.

### Statements

C-1 Statement Of Revenues And Expenses Arising From Cash Transactions  
F-1 Notes To Financial Statements

### Schedules

04 Detail Of Revenues And Other Sources  
05 Detail Of Expenses And Other Uses  
08 Real And Personal Property Taxes  
\*09 Long-Term Debt  
\*16 Financial Assistance  
19 Labor Relations Consultant(s)

\* These statements and schedules will be included by the examiner as exhibits in the audit report.

In most cases, the State Auditor's Office has designed forms to use in preparing the required statements and schedules. A blank copy of each form is included at the appropriate place in each chapter. The use of these particular forms is not required; however, the kinds and amounts of information requested by the forms is generally prescribed. Specific instructions accompanying each statement and schedule identify what detail, if any, is optional.

It is important to note that the required statements and schedules are not intended to meet the criteria of generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GAAP reporting requirements are discussed and prescribed in the Proprietary BARS manual for Classified municipalities. The State Auditor's Office (SAO) has determined that these requirements are too extensive for unclassified municipalities, considering their size and the resources they typically have available to perform accounting tasks. However, any district that wishes to provide the disclosure contained in GAAP statements is encouraged to prepare those statement(s). The district should contact the SAO to obtain copies of the Classified Proprietary BARS manual.

### Magnetic Filing Instructions

Magnetic media reporting is encouraged when filing annual reports. Statements and schedules may be submitted on diskette (3½ or 5¼) or magnetic tape. When submitting by diskette, schedules 04 and 05 should be formatted to include MCAG number (4 digits), Fund number (3 digit), BARS account number (refer to Part 4, Chapter 5 for required details), and actual amounts (use a minus sign if negative). The remainder of the schedules should be formatted as described in the following chapters.

Magnetic tapes submitted should be 9 track with fixed block records of 80 bytes in blocks of 8000, preceded with a standard label.

EFF DATE   SUPERSEDES  
1/1/96            1/1/92

BARS MANUAL:   VOL   PT   CH   PAGE  
UNCLASSIFIED PROPRIETARY      1      4      1      3

### MCAG Numbers

The next few pages contain all Unclassified Port District MCAG identification numbers. Record your number in the upper left hand corner of the various reports.

### Reporting Checklist

When you have finished preparing the statements and schedules described in Chapters 2 through 6, use the checklist at the end of this chapter to insure that your report is complete. Please arrange the report contents in the order shown on the checklist. (You may use the checklist as your table of contents.)

### Certification/Cover Sheet

Finally, prepare the cover sheet and sign and date the certification before submitting your report.

MCAG NUMBERS - PORT DISTRICTS (UNCLASSIFIED)

|                                    |      |
|------------------------------------|------|
| Port of Allyn .....                | 1742 |
| Port of Centralia .....            | 0588 |
| Port of Chehalis .....             | 0589 |
| Port of Chinook .....              | 1750 |
| Port of Clarkston .....            | 0437 |
| Port of Columbia County .....      | 1705 |
| Port of Coulee City .....          | 1716 |
| Port of Coupeville .....           | 1724 |
| Port of Dewatto .....              | 1743 |
| Port of Eglon .....                | 1739 |
| Port of Ephrata .....              | 1721 |
| Port of Garfield .....             | 1712 |
| Port of Grand Coulee .....         | 1719 |
| Port of Grandview .....            | 0837 |
| Port of Grapeview .....            | 1744 |
| Port of Hartline .....             | 1717 |
| Port of Hoodspport .....           | 1745 |
| Port of Illahee .....              | 1734 |
| Port of Illwaco .....              | 1748 |
| Port of Indianola .....            | 1735 |
| Port of Kahlottus .....            | 1711 |
| Port of Keyport .....              | 1736 |
| Port of Klickitat .....            | 1741 |
| Port of Lopez .....                | 1754 |
| Port of Mabana .....               | 1726 |
| Port of Manchester .....           | 1737 |
| Port of Mattawa .....              | 1715 |
| Port of Orcas .....                | 1755 |
| Port of Othello .....              | 1696 |
| Port of Peninsula .....            | 1751 |
| Port of Poulsbo .....              | 1732 |
| Port of Royal Slope .....          | 1714 |
| Port of Silverdale .....           | 1733 |
| Port of Skamania County .....      | 1758 |
| Port of South Whidbey Island ..... | 1725 |
| Port of Tahuya .....               | 1747 |
| Port of Tracyton .....             | 1740 |
| Port of Wahkiakum County #1 .....  | 1762 |
| Port of Wahkiakum County #2 .....  | 1763 |
| Port of Warden .....               | 1720 |
| Port of Waterman .....             | 1738 |
| Port of Whitman County .....       | 1766 |
| Port of Wilson Creek .....         | 1718 |
| Port of Woodland .....             | 1708 |



## CHECKLIST OF REPORTING REQUIREMENTS

NOTE: This list is NOT the order in which to prepare these statements and schedules, but it is the order for presenting them in your annual report. Chapters 2-6 of this part give instructions for preparing the statements and schedules in an efficient sequence.

| Page<br>Number(s) | Statement Or Schedule  | Yes | No | SEE<br>Chapter |
|-------------------|--|-----|----|----------------|
|                   | Statement C-1      Statement Of Revenues And Expenses<br>Arising From Cash Transactions      |     |    | 2              |
|                   | Statement F-1      Notes To Financial Statements   |     |    | 6              |
|                   | Schedule 04      Detail Of Revenues And Other Sources  |     |    | 5              |
|                   | Schedule 05      Detail Of Expenses And Other Uses   |     |    | 5              |
|                   | Schedule 08      Real And Personal Property Taxes  |     |    | 5              |
|                   | Schedule 09      Long-Term Debt<br>General Obligation Debt<br>Revenue Debt<br>Refunded Debt  |     |    | 5<br>5<br>5    |
|                   | Schedule 16      Financial Assistance<br>Federal Grants<br>State Grants<br>Interlocal Grants |     |    | 5<br>5<br>5    |
|                   | Schedule 19      Labor Relations Consultant(s)   |     |    | 5              |

# ANNUAL REPORT

\_\_\_\_\_  
(Name of Port)

\_\_\_\_\_  
MCAG No.

Submitted pursuant to RCW 43.09.230

to the

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED \_\_\_\_\_ 19 \_\_\_\_\_

Certified correct this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_

to the best of my knowledge and belief:

NAME \_\_\_\_\_

TITLE \_\_\_\_\_

PREPARED BY \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

**PORT DISTRICT**  
Financial Statements

Instructions for preparing the Statement Of Revenues And Expenses Arising From Cash Transactions (C-1)

- A. The information for this statement should be taken from the port revenue and expense ledgers after year-end.
- B. Prior year information (optional) should be taken from the prior year's statement. The left hand column should be used for current year information and the right-hand column for the previous year.
- C. Notes to the financial statements (see Part 4, Chapter 6) for any items that describe a specific revenue or expense account should include a parenthetical reference to that note after the proper account title. Normally, there should be note references to operating subsidies, tax levies, fixed assets and long-term debt.
- D. When completed, the statement should be typewritten or typeset. The example that follows illustrates the proper format and headings. Be sure to note the following items:
  - 1. Account numbers do not need to be included.
  - 2. The name of your port should be at the top of the form, followed by the title of the statement, which is *(Comparative) Statement of Revenues And Expenses Arising From Cash Transactions*.
  - 3. The statement should have inclusive dates or the phrase *for the years ended*, since an operating statement is prepared for a period of time.
  - 4. After the *Total Operating Expenses* line, a separate subtotal is calculated and labelled *Income (Loss) From Operations*.
  - 5. The statement MUST contain a footnote directing the reader to the accompanying notes to financial statements.

PORT OF \_\_\_\_\_  
 (COMPARATIVE)\* STATEMENT OF REVENUES AND EXPENSES  
 ARISING FROM CASH TRANSACTIONS  
 For the Years Ended December 31, 19\_\_\_\_ and 19\_\_\_\_\*

|   | <u>12/31/</u> | <u>12/31/</u> * |
|---|---------------|-----------------|
| OPERATING REVENUES:                                 |               |                 |
| Airport operations                                  | \$ _____      | \$ _____        |
| Marina operations                                   | _____         | _____           |
| Marine terminal operations                          | _____         | _____           |
| Property lease/rental operations                    | _____         | _____           |
| General and administrative                          | _____         | _____           |
| Other: _____  | _____         | _____           |
| Total Operating Revenues                            | _____         | _____           |
| OPERATING EXPENSES:                                 |               |                 |
| General operations                                  | _____         | _____           |
| Maintenance   | _____         | _____           |
| General and administrative (781 + 783 - 785)        | _____         | _____           |
| Other: _____  | _____         | _____           |
| Total Operating Expenses                            | _____         | _____           |
| Income (Loss) from Operations                       | _____         | _____           |
| NONOPERATING REVENUES (EXPENSES):                   |               |                 |
| Interest income                                     | _____         | _____           |
| Federal and state grants and contracts              | _____         | _____           |
| Taxes levied for:                                   |               |                 |
| General purposes (Note ____)                        | _____         | _____           |
| Debt service principal/interest (Note ____)         | _____         | _____           |
| Sale of fixed assets                                | _____         | _____           |
| Purchase of fixed assets                            | _____         | _____           |
| Principal paid on long-term debt                    | _____         | _____           |
| Interest paid on long-term debt                     | _____         | _____           |
| Election expense                                    | _____         | _____           |
| Other nonoperating revenues (expenses)              | _____         | _____           |
| Total Nonoperating Revenues (Expenses)              | _____         | _____           |
| Net increase (decrease) in net cash and investments | _____         | _____           |
| Beginning balance of net cash and investments       | _____         | _____           |
| ENDING BALANCE OF NET CASH<br>AND INVESTMENTS       | \$ _____      | \$ _____        |

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

\*Prior year presentation is optional.

| MATRIX OF REPORTING REQUIREMENTS: Schedules Required by SAO |  |  |
|---|--|--|
| (A) Port Districts (Unclassified)                           |  |  |
| Schedule No.  | Schedule                               | (A)<br>Port Districts                                |
| 04  | Detail Of Revenues And Other Resources | Prepare one schedule for the district                |
| 05  | Detail Of Expenses And Other Uses      | Prepare one schedule for the district                |
| 08  | Real And Personal Property Taxes       | Prepare one schedule for the district                |
| 09  | Long-Term Debt                         | Prepare one schedule for each category of debt       |
| 16  | Financial Assistance                   | Prepare one schedule for each category of assistance |
| 19  | Labor Relations Consultant(s)          | Prepare one schedule for each consultant             |

#### SCHEDULE 04 - DETAIL OF REVENUES AND OTHER SOURCES

The purpose of this schedule is to report the revenues for each proprietary-type entity so that the State Auditor's Office can collect information about the total amounts received by your district. Specific account numbers are required, and titles must describe the revenue source clearly.

The level of detail should equal that shown in the BARS manual chart of accounts (Part 1, Chapter 5) to the third digit (BASUB level), except for the nonoperating revenues which should be shown to the fourth digit. A subtotal should be calculated after each operating function (second digit level). Please refer to the following example and blank format.

This schedule may also be submitted on diskette (3½ or 5¼). When submitting by diskette, the schedule should include MCAG number (4 digits), BARS account numbers, and actual amounts received.

|                 |                   |
|-----------------|-------------------|
| <u>EFF DATE</u> | <u>SUPERSEDES</u> |
| 1/1/96          | 1/1/95            |

|                          |            |           |           |             |
|--------------------------|------------|-----------|-----------|-------------|
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## DETAIL OF REVENUES AND OTHER SOURCES

For Year Ended December 31, 19\_\_

| BARS Revenue<br>Account No. | Description                        | Actual Revenues |
|-----------------------------|------------------------------------|-----------------|
|                             |                                    |                 |
| 611.00/612.00               | Airport User Charges               | \$1,435,538     |
| 614.00                      | Airport Real Property Rentals-Land | 13,318          |
| 619.00                      | Other Airport Revenues             | 3,488           |
| 610.00                      | Total Airport Revenues             | \$1,452,344     |
|                             |                                    |                 |
| 621.00/622.00               | Marina User Charges                | 120,064         |
| 623.00                      | Marina Operating Grants            | 101,409         |
| 620.00                      | Total Marina Revenue               | \$221,473       |
|                             |                                    |                 |
| 699.20                      | Ad Valorem Taxes                   | 50,745          |
|                             |                                    |                 |
| 600.00                      | TOTAL REVENUES                     | \$1,724,562     |
|                             |                                    |                 |
|                             |                                    |                 |
|                             |                                    |                 |
|                             |                                    |                 |
|                             |                                    |                 |
|                             |                                    |                 |
|                             |                                    |                 |
|                             |                                    |                 |
|                             |                                    |                 |
|                             |                                    |                 |

(ENTITY NAME)

**(ENTITY NAME)**

**For Year Ended December 31, 19\_\_**

|                 |                   |                          |            |           |           |             |
|-----------------|-------------------|--------------------------|------------|-----------|-----------|-------------|
| <u>EFF DATE</u> | <u>SUPERSEDES</u> | <u>BARS MANUAL:</u>      | <u>VOL</u> | <u>PT</u> | <u>CH</u> | <u>PAGE</u> |
| 1/1/95          | 1/1/93            | UNCLASSIFIED PROPRIETARY | 1          | 4         | 5         | 5           |



## SCHEDULE 05 - DETAIL OF EXPENSES AND OTHER USES

The purpose of this schedule is to report the expenses for each proprietary-type entity so that the State Auditor's Office can collect information about the total amounts expended by your district. Specific account numbers are required, and titles must describe the expense clearly.

The level of detail should equal that shown in the BARS manual chart of accounts (Part 1, Chapter 6) to the third digit (BASUB level), except for the nonoperating revenues which should be shown to the fifth digit. A subtotal should be calculated after each operating function (second digit level). Please refer to the following example and blank format.

This schedule may also be submitted on diskette (3½ or 5¼). When submitting by diskette, the schedule should include MCAG number (4 digits), BARS account numbers, and actual amounts expended.

|                 |                   |
|-----------------|-------------------|
| <u>EFF DATE</u> | <u>SUPERSEDES</u> |
| 1/1/96          | 1/1/95            |

|                          |            |           |           |             |
|--------------------------|------------|-----------|-----------|-------------|
| <u>BARS MANUAL:</u>      | <u>VOL</u> | <u>PT</u> | <u>CH</u> | <u>PAGE</u> |
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(ENTITY NAME)

## DETAIL OF EXPENSES AND OTHER USES

[illegible]

## SCHEDULE 08 - REAL AND PERSONAL PROPERTY TAXES

This schedule is used to collect information about tax levies in all taxing districts in Washington State. The amounts reported by counties acting as collection agents are compared with the amounts reported by the recipient districts to verify the accuracy of reporting. It is also used to verify the amount of tax revenues reported on Schedule 04 (Detail of Revenues and Other Sources).

Districts should prepare this schedule from the monthly reports of county remittances. It is important to analyze the county reports for any netting, such as election costs. If the county has deducted any charges from its remittances, the district must show the expenses separately and record the tax revenue at its full amount.

County remittances that are in transit at the end of the year should be included on this schedule as *taxes collected* in the district reports.

Each tax-levying fund of the district should be shown separately.

This schedule may be submitted as a computer printout, so long as the required information is provided.

|          |   |
|----------|---|
| Column 1 | Number of each fund for which taxes are levied.   |
| Column 2 | Name of each fund for which taxes are levied.   |
| Column 3 | Prior years' taxes outstanding as of January 1 of report year.  |
| Column 4 | Indicate whether regular (R) or special (S) levy. Also indicate tax rate expressed in dollars per thousand dollars of assessed valuation (\$/1000) at 100 percent of fair market value. |
| Column 5 | Taxes levied for report year collection.  |
| Column 6 | Report year collections of current and prior year levies.   |
| Column 7 | Tax adjustments (supplementals) which increase outstanding taxes.   |
| Column 8 | Tax adjustments (cancellations) which decrease outstanding taxes.   |
| Column 9 | Total taxes outstanding as of December 31 of report year.   |

PORT OF SAMPLE  
(ENTITY NAME)

## SCHEDULE OF REAL AND PERSONAL PROPERTY TAXES

For Year Ended December 31, 1995

| 1        | 2              | 3                               | 4                    | 5                           | 6               | 7                           | 8                           | 9  |
|----------|----------------|---------------------------------|----------------------|-----------------------------|-----------------|-----------------------------|-----------------------------|--|
| FUND NO. | FUND NAME      | TAXES OUTSTANDING<br>01/01/19__ | TAX RATE<br>\$/1,000 | TAXES LEVIED<br>REPORT YEAR | TAXES COLLECTED | TAX ADJUSTMENT<br>INCREASES | TAX ADJUSTMENT<br>DECREASES | TAXES OUTSTANDING<br>12/31/19__<br>(3+5-6+7-8) |
| 668.01   | General Fund   | \$42,565                        | 0.3776               | \$383,228                   | \$382,387       | \$3,533                     | \$288                       | \$46,651                                       |
| 668.14   | 1980 G.O. Bond | 22,994                          | 0.1490               | 132,091                     | 136,199         | 1,288                       | 128                         | 20,046   |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          | Total Taxes    | \$65,559                        |                      | \$515,319                   | \$518,586       | \$4,821                     | \$416                       | \$66,697                                       |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |
|          |                |                                 |                      |                             |                 |                             |                             |  |

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MCAG NO. \_\_\_\_\_

**(ENTITY NAME)**

## SCHEDULE OF REAL AND PERSONAL PROPERTY TAXES

**For Year Ended December 31, 19\_\_**

[illegible]

EFF DATE  
1/1/96

SUPERSEDES  
1/1/93

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## SCHEDULE 09 - LONG-TERM DEBT

This schedule provides information about the **long-term debt** of the district. For Schedule 09, there are three categories of debt: general, revenue and refunded debt. A separate debt schedule should be prepared for each category of debt. The appropriate category should be indicated at the top of each page.

Any debt category may contain numerous kinds of debt instruments. For example, general debt is not limited to general obligation bonds but can also contain bond anticipation notes, claims and judgments, installment sales contracts, lease-purchase agreements, etc.

As a practical matter, it is permissible to classify capital leases, including lease-purchase agreements, in enterprise funds as *revenue debt* and to classify all other capital leases as general debt. The existence of a fiscal funding clause (which allows termination of a lease if revenue sources become inadequate) has no effect on the classification of a lease as general or revenue debt.

This schedule may be submitted as a computer printout, so long as the required information is provided.

### IDENTIFYING NUMBER AND DESCRIPTION

The numbers and descriptions below must be used on Schedule 09. Typical debt instruments are listed within each category of debt.

NOTE: For Schedule 09, list all bonded debt at par. Include principal only on all debt. Do not include any interfund debt, liabilities for deferred compensation, employee leave benefits or any short-term debt (less than one year). Generally, construction contracts are not considered debt except to the extent the contractor has performed

I.D. No.    **GENERAL DEBT** - Debt backed by the government's full taxing authority.

|        |  |
|--------|--|
| 251.11 | General Obligation Bonds for Capital Purposes - (No Vote Required)   |
| 251.12 | General Obligation Bonds for Capital Purposes - (Vote Required)  |
| 251.15 | General Obligation Bonds for Capital Purposes - Advance Refunding - Defeasance Method  |
| 251.16 | General Obligation Bonds for Capital Purposes - Advance Refunding - Crossover Method   |
| 251.41 | General Obligation Bonds for M and O Purposes - (No Vote Required)   |
| 251.42 | General Obligation Bonds for M and O Purposes - (Vote Required)  |
| 251.45 | General Obligation Bonds for M and O Purposes - Advance Refunding - Defeasance Method  |
| 251.46 | General Obligation Bonds for M and O Purposes - Advance Refunding - Crossover Method   |
| 263.11 | Claims and Judgments (Long-Term Only)  |
| 263.51 | Installment Sales Contracts  |
| 263.53 | Lease-Purchase Agreements  |
| 263.55 | Other Capital Leases   |
| 263.61 | Anticipation Notes and Warrants for Capital Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)  |
| 263.64 | Anticipation Notes and Warrants for M and O Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes)  |
| 263.66 | Other Notes Payable for Capital Purposes   |
| 263.68 | Other Notes Payable for M and O Purposes   |
| 263.81 | Due to Other Governmental Units for Capital Purposes (Long-Term Only. An Example is the Amount Due to the State Retirement System for Pension Systems Prior to PERS and LEOFF) |
| 263.84 | Due to Other Governmental Units for M and O Purposes (Long-Term Only.)   |
| 263.91 | Miscellaneous Long-Term General Debt for Capital Purposes  |
| 263.94 | Miscellaneous Long-Term General Debt for M and O Purposes  |

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**I.D. No.**    **REVENUE DEBT** - Debt back by specific revenue sources.

|        |   |
|--------|---|
| 252.11 | Revenue Bonds for Capital Purposes - (No Vote Required)   |
| 252.12 | Revenue Bonds for Capital Purposes - (Vote Required)  |
| 252.15 | Revenue Bonds for Capital Purposes - Advance Refunding - Defeasance Method  |
| 252.16 | Revenue Bonds for Capital Purposes - Advance Refunding - Crossover Method   |
| 252.41 | Revenue Bonds for M and O Purposes - (No Vote Required)   |
| 252.42 | Revenue Bonds for M and O Purposes - (Vote Required)  |
| 252.45 | Revenue Bonds for M and O Purposes - Advance Refunding - Defeasance Method  |
| 252.46 | Revenue Bonds for M and O Purposes - Advance Refunding - Crossover Method   |
| 263.12 | Claims and Judgments (Long-Term Only)   |
| 263.41 | Revenue Warrants (Coupon warrants) for Capital Purposes   |
| 263.44 | Revenue Warrants (Coupon warrants) for M and O Purposes   |
| 263.52 | Installment Sales Contracts   |
| 263.54 | Lease-Purchase Agreements   |
| 263.56 | Other Capital Leases  |
| 263.62 | Anticipation Notes and Warrants for Capital Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes) |
| 263.65 | Anticipation Notes and Warrants for M and O Purposes (Including Bond Anticipation Notes and Tax Anticipation Notes) |
| 263.67 | Other Notes Payable for Capital Purposes  |
| 263.69 | Other Notes Payable for M and O Purposes  |
| 263.82 | Due to Other Governmental Units for Capital Purposes (Long-Term Only)   |
| 263.85 | Due to Other Governmental Units for M and O Purposes (Long-Term Only)   |
| 263.92 | Miscellaneous Long-Term Revenue Debt for Capital Purposes   |
| 263.95 | Miscellaneous Long-Term Revenue Debt for M and O Purposes   |

**NOTE:**    M and O refers to Maintenance and Operation.

**I.D. No.**    **REFUNDED DEBT**

|        |   |
|--------|---|
| 251.90 | General Obligation Bonds - Advance Refunded |
| 252.90 | Revenue Bond - Advance Refunded             |
| 253.90 | Special Assessment Bonds - Advance Refunded |

**IDENTIFYING NUMBER** - Include appropriate number (see listing on previous page).

**PURPOSE** - Describe the purpose(s) for which the debt proceeds were spent. If a refunding issue is partly refinancing and partly new financing, show both purposes. Refunded debt should continue to show the original purpose of the issue. If the purpose is not known, leave this column blank.

**DATE OF ORIGINAL ISSUE / DATE OF MATURITY**) - These columns are self-explanatory.

(1) **BEGINNING OUTSTANDING DEBT** This column should include the amount of debt that was owed at the beginning of this period. The amount shown should equal to the last year ending balance. If there is a discrepancy, attach an explanation.

(2) **AMOUNT ISSUED - CURRENT PERIOD** In this column report the entire amount of any new debt or any additional debt issued (or borrowed) during the current period. For example, assume a G.O. bond authorized in the previous year at \$5,000,000, with \$4,000,000 issued that year and an additional \$500,000 issued in the report year. Under these circumstances, this column should show \$500,000.



(3) AMOUNT REDEEMED THIS PERIOD In this column, report the amount of debt that was paid this period. Do not include interest paid on the redeemed debt. The total amount in this column should equal to long-term debt payments shown on the Schedule 05.

(4) ENDING OUTSTANDING DEBT In this column, report the amount of debt that is owed at the end of this period.

Ending outstanding debt, column (4), is calculated by adding the amounts in columns (1) and (2) and subtracting redeemed debt in column (3).

$$(1) + (2) - (3) = (4)$$

Total the last five columns for each debt type.

SAMPLE DISTRICT  
(DISTRICT NAME)

X G.O. Debt  
Revenue Debt  
Refunded Debt

SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 1997

|          |                           |                        |                  | (1)   | (2)                           | (3)                             | (4)  |
|----------|---------------------------|------------------------|------------------|---|-------------------------------|---------------------------------|--|
| I.D. NO. | PURPOSE                   | DATE OF ORIGINAL ISSUE | DATE OF MATURITY | BEGINNING OUTSTANDING DEBT 01/01/1997 (ENDING OUTSTANDING DEBT BALANCE FROM PRIOR YEAR) | AMOUNT ISSUED IN CURRENT YEAR | AMOUNT REDEEMED IN CURRENT YEAR | ENDING OUTSTANDING DEBT 12/31/1997 (1) + (2) - (3) |
| 251.16   | Refunding 1983 G.O. Bonds | 12/94                  | 12/14            | \$1,500,000   | \$300,000                     | \$500,000                       | \$1,300,000  |
| 263.51   | Equipment                 | 6/95                   | 6/00             | \$55,000  | —                             | \$20,000                        | \$35,000   |
|          |                           |                        |                  |   |                               |                                 |  |
|          | Total G.O. Debt           |                        |                  | \$1,555,000   | \$300,000                     | \$520,000                       | \$1,335,000  |
|          |                           |                        |                  |   |                               |                                 |  |
|          |                           |                        |                  |   |                               |                                 |  |
|          |                           |                        |                  |   |                               |                                 |  |
|          |                           |                        |                  |   |                               |                                 |  |
|          |                           |                        |                  |   |                               |                                 |  |
|          |                           |                        |                  |   |                               |                                 |  |
|          |                           |                        |                  |   |                               |                                 |  |
|          |                           |                        |                  |   |                               |                                 |  |
|          |                           |                        |                  |   |                               |                                 |  |

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SAMPLE DISTRICT  
**(DISTRICT NAME)**

☐ G.O. Debt  
☒ Revenue Debt  
☐ Refunded Debt

**SCHEDULE OF LONG-TERM DEBT**

**For The Year Ended December 31, 1997**

|          |                              |                              |                     | (1)  | (2)                                 | (3)                                   | (4)   |
|----------|------------------------------|------------------------------|---------------------|--|-------------------------------------|---------------------------------------|---|
|          |                              |                              |                     | BEGINNING<br>OUTSTANDING DEBT<br>01/01/1997<br>(ENDING OUTSTANDING<br>DEBT BALANCE FROM<br>PRIOR YEAR) | AMOUNT<br>ISSUED IN<br>CURRENT YEAR | AMOUNT<br>REDEEMED IN<br>CURRENT YEAR | ENDING<br>OUTSTANDING<br>DEBT 12/31/1997<br>(1) + (2) - (3) |
| I.D. NO. | PURPOSE                      | DATE OF<br>ORIGINAL<br>ISSUE | DATE OF<br>MATURITY |  |                                     |                                       |   |
| 252.11   | Refunding 1978 Revenue Bonds | 1/88                         | 1/99                | \$1,400,000  | —                                   | \$450,000                             | \$950,000   |
| 263.52   | New Main                     | 8/96                         | 8/06                | \$130,000  | —                                   | \$30,000                              | \$100,000   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          | Total Revenue Debt           |                              |                     | \$1,530,000  | —                                   | \$480,000                             | \$1,050,000   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          |                              |                              |                     |  |                                     |                                       |   |
|          |                              |                              |                     |  |                                     |                                       |   |

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Schedule 09  
Page \_\_\_\_ of \_\_\_\_

\_\_\_\_ G.O. Debt  
 \_\_\_\_ Revenue Debt  
 \_\_\_\_ Refunded Debt

**(DISTRICT NAME)**

## SCHEDULE OF LONG-TERM DEBT

**For Year Ended December 31, 19\_\_**

[illegible]

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## SCHEDULE 16 - FINANCIAL ASSISTANCE

The Schedule of Financial Assistance is an essential document for planning and conducting the audit of your organization. It also serves to provide assurance to those agencies who provided financial assistance to you that their programs or grants were included in the audit. Great care should be exercised in the preparation of this schedule to insure that it is accurate and complete. Any program or grant omitted from this schedule will be considered unaudited. This schedule should be prepared on the same basis of accounting as the financial statements.

Prepare one schedule which includes all federal financial assistance and a separate schedule which includes all state and local financial assistance. Indicate the category in the heading on the schedule.

### SCHEDULE OF **FEDERAL** FINANCIAL ASSISTANCE

Include on this schedule federal awards, grants, loans (direct and guaranteed/insured), insurance, program income, and other financial assistance received directly from a federal agency or indirectly through a state agency or local government.

List all financial assistance received from the same federal agency together (i.e., all HUD awards, etc.) with assistance received directly shown first followed by assistance received indirectly. Provide subtotals for like Catalog of Federal Domestic Assistance (CFDA) numbers and for both assistance received directly and assistance received indirectly, with a total for each federal agency.

### SCHEDULE OF **STATE AND LOCAL** FINANCIAL ASSISTANCE

List on this schedule grants received directly or indirectly from state agencies, grants from other local governments, and program income. State shared revenues, apportionments, entitlements, and loans do not need to be included on this schedule.

Separately list awards received from the state and local governments. Provide subtotal for both categories and total for the entire schedule. Preferably list all financial assistance received from the same state agency together.

#### Also remember:

- Often federal financial assistance received indirectly is a mix of federal and state or local money. If possible, identify the different parts and list them on appropriate schedules: the federal share on the *Schedule of **Federal** Financial Assistance* and the state or local portion on the *Schedule of **State and Local** Financial Assistance*. If the state or local portion cannot be identified, list the entire amount on the *Schedule of **Federal** Financial Assistance* and describe the commingled nature of the funds in the Notes to the Schedule of Financial Assistance.
- The value of noncash awards (e.g., food stamps, food commodities, loan guarantees, loans, interest-rate subsidies, or insurance) should be recorded using the appropriate account code and reported on the *Schedule of **Federal** Financial Assistance* or the *Schedule of **State and Local** Financial Assistance*. The Notes to the Schedule of Financial Assistance should disclose the nature of the amounts reported.
- The funds received as a *fee for services* should not be included on the Schedule 16.
- Records must agree or reconcile to those in finance, budget and treasury departments.

Column 1    Provide the name of the grantor agency or organization followed by the name of each program for that agency. Please clearly distinguish between federal agencies and state agencies with similar names or initials. If you receive federal pass-through money, identify the state pass-through agency. Identify type of noncash award in this column also.

Column 2 This is a five digit (XX.XXX) identification number from the Catalog of Federal Domestic Assistance. This number must be supplied for all federal awards received either directly from a federal agency or indirectly through a state agency or local government.

Indicate major programs as defined in OMB Circular A-128 with an asterisk (\*) to the right of the CFDA number. (All major and nonmajor programs should be individually identified, including those completed or terminated during the audit period.) *Major federal assistance program* means any program for which federal expenses during the applicable year exceeded the larger of \$300,000, or three percent of such total expenses.

Every effort should be made to obtain CFDA numbers. If the number is not on the award or contract, contact the granting agency and request the number. If they indicate this is a new program for which a CFDA number has not yet been assigned, present the program as "Other Federal Assistance" and leave this column blank.

Column 3 Use this column to report grant or award numbers assigned by federal or state agencies, in addition to the CFDA numbers. Indicate loan or program income, where applicable. If the number is not available write N/A.

Column 4 Use this column to report the current year grant expenses. (Determined on the same basis of accounting as the financial statements.)

MCAG NO. \_\_\_\_\_  
(ENTITY NAME)

Schedule 16

SCHEDULE OF (FEDERAL / STATE AND LOCAL) FINANCIAL ASSISTANCE

For The Year Ended December 31, 19\_\_\_\_

| 1   | 2                      | 3                              | 4                        |
|---|------------------------|--------------------------------|--------------------------|
| Grantor/<br>Pass-Through Grantor<br>Program Title | Federal CFDA<br>Number | Other Identification<br>Number | Current Year<br>Expenses |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |
|   |                        |                                |                          |

*The Accompanying Notes To The Schedule Of Financial Assistance Are An Integral Part Of This Schedule.*

Include the following NOTES TO THE SCHEDULE OF FINANCIAL ASSISTANCE either as an attachment to the schedule or on the face of the schedule (if space permits). The notes should disclose the basis of accounting, definitions of abbreviations and any other information that might be needed by the users. The following notes are considered examples only. The district should prepare notes that describe their particular programs and circumstances. Notes may be combined for both schedules.

---

## NOTES TO THE SCHEDULE OF FINANCIAL ASSISTANCE

### NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as the (district)'s financial statements. The (district) uses the (describe the basis of accounting used by the district).

### NOTE 2 - MAJOR PROGRAMS

The asterisk (\*) to the right of a CFDA number identifies the grant as a major federal program as defined by OMB Circular A-128.

### NOTE 3 - PROGRAM COSTS

The amounts shown as current year expenses represent only (federal/state/local) grant portion of the program costs. Entire program costs, including the (district)'s portion, may be more than shown.

### NOTE 4 - PROGRAM INCOME

The (district) has a revolving loan program for low income housing. Under this federal grant, repayments to the (district) are considered program revenues (income) and loans of such funds to eligible recipients are considered expenses.

### NOTE 5 - FEDERAL LOANS

The (district) has been approved by the Farm Home Administration to receive a loan totaling \$\_\_\_\_\_ to build a sewer treatment plant. Current year expenses represent construction costs to date.

The (district) also has prior year federal loans outstanding with balances totaling \$\_\_\_\_\_. Both current and prior year loans are reported on the (district)'s Schedule of Long-Term Debt.

### NOTE 6 - NONCASH AWARDS

The amount of (vaccine/dental items/commodities/surplus property/etc.) reported on the schedule is the value of (vaccine/dental items/commodities/surplus property/etc.) distributed by the (district) during current year and priced as prescribed by \_\_\_\_\_.

### NOTE 7 - NOT AVAILABLE (N/A)

The (district) was unable to obtain other identification number.





## SCHEDULE 19 - LABOR RELATIONS CONSULTANT(S)

The 1993 Legislature has required the State Auditor's Office to collect information regarding the role labor relations consultants play in local governments. This reporting requirement is found in RCW 43.09.230, as amended by the 1993 Legislature. The statute provides that *the legislature finds and declares that the use of outside consultants is an increasing element in public sector labor relations. The public has a right to be kept informed about the role of outside consultants in public sector labor relations. The purpose of this act is to help ensure that public information is available.*

*Labor relations* is a broad spectrum of activities which concern the relationship of employees as a group with the local government as employer. It includes employee representation issues, negotiation of contracts, and preparation and conduct of interest arbitrations.

A *labor relations consultant* is someone who agrees to perform such services for compensation. For example, a labor relations consultant includes an attorney or other professional engaged by the local government to negotiate a collective bargaining agreement. It would not include a firm engaged to establish a personnel manual or to prescreen job applicants. The determining factor is the substance of services the consultant has been engaged to perform.

This schedule is used to identify expenses for labor relations consultants: Disclosure should include identification of each consultant and the terms and conditions of each agreement.

The schedule is required to be filed with the State Auditor's Office whether or not your local government has labor relations consultants. Prepare a schedule for each consultant. Alternative formats are acceptable, including spreadsheets, as long as the required information is provided.

MCAG NO. \_\_\_\_\_

Schedule 19

\_\_\_\_\_  
(ENTITY NAME)

**SCHEDULE OF LABOR RELATIONS CONSULTANT(S)**

**For the Year Ended** \_\_\_\_\_

Has your government engaged labor relations consultants? \_\_\_ Yes \_\_\_ No

If yes, please provide the following information for each consultant(s):

|   |
|---|
| Name Of Firm  |
| Name Of Consultant  |
| Business Address  |
| Amount Paid To Consultant During Fiscal Year  |
| Terms And Conditions, As Applicable, Including:<br>Rates (e.g., Hourly, etc.) _____<br>Maximum Compensation Allowed _____<br>Duration Of Services _____<br>Services Provided _____<br>_____ |

|  |
|--|
| Certified Correct this _____ day of _____, 19____<br>to the best of my knowledge and belief: |
| Signature  |
| Name   |
| Title  |

REPORTING  
NOTES TO FINANCIAL STATEMENTS

The notes which follow are designed to illustrate the disclosures required for unclassified port districts. The SAMPLE TEXT pages contain the most common version of a note, the one that your district is most likely to use. The NOTES TO PREPARER pages contain instructions and comments on the SAMPLE TEXT. Your notes must reflect your accounting policies and must include disclosure in the areas listed as they relate to your district's financial position.

**DELETE THE NOTES THAT DO NOT APPLY AND ADD OTHERS THAT ARE NEEDED TO HELP A READER UNDERSTAND YOUR DISTRICT'S FINANCIAL STATEMENTS.**

Once you have compiled these notes so that they provide the necessary information about your district attach them immediately behind your financial statements.

|                 |                   |
|-----------------|-------------------|
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| 1/1/96          | 1/1/92            |

|                          |            |           |           |             |
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- 3 For *type of government* describe the legal formation of your district.
- 5 For *major types of services*, summarize the functions that your district performs, such as:
- Marina, shipping terminal, industrial park, water supply/treatment/distribution, sewage collection/treatment, sanitation, street maintenance, planning and zoning, libraries, golf courses, and an airport.
- 16-17 If the district uses the modified cash basis of accounting, replace the text with:
- The   (district)   uses modified cash basis of accounting which is a departure from generally accepted accounting principles.
- Also describe the modifications (e.g., recognition of certain accruals, description, etc.)
- 21 If your district deposits are not entirely insured, disclose the amount that is uncollateralized.

NOTES TO FINANCIAL STATEMENTS  
SAMPLE TEXT

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The (official name of the district) was incorporated on (date) and operates under the laws of the state of Washington applicable to a (type of government).

1. Reporting Entity

The (district) is a special purpose government and provides (list major types of services) to the general public and is supported primarily through user charges (or where the governing body has decided that periodic determination of net income is needed).

The following is a summary of the significant policies, including identification of those policies which result in material departures from generally accepted accounting principles (GAAP).

2. Basis Of Accounting

The accounting records of the (district) are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The (district) uses the *Budgeting, Accounting and Reporting System for Proprietary-Type Districts (Unclassified)*.

The accounts of the (district) are maintained on the basis of funds. For reporting purposes, the activities of all the (district)'s funds are combined.

The (district) uses the cash basis of accounting where revenues are recognized only when received and expenses are recognized when paid.

3. Cash

It is the (district)'s policy to invest all temporary cash surpluses. The amount is included on the statement of revenues and expenses arising from cash transactions as net cash and investments.

4. Deposits

The (district) deposits (and certificates of deposit) are covered by (the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission).

5. Fixed Assets

Major expenses for fixed assets, including capital leases and major repairs that increase useful lives, are recorded as expenses when purchased. There is no capitalization of fixed assets, nor allocation of depreciation expense. Inventory is expensed when purchased. Maintenance, repairs, and minor renewals are accounted for as expenses when paid. (Obligations under capital leases are disclosed in Note (Long-Term Debt And Capital Leases Note No. )). (Donations by developers [and customers] are recorded at the contract price or donor cost or appraised value).

6. Investments See Note (Investments Note #)

6           Indicate whether you individually self-insure, individually purchase commercial insurance policies, participate as a member of a joint insurance pool, or use a combination of the above. Provide a sufficient amount of information (e.g., the type of coverages, type of funds to account for risk management activities, the expected annual claims, name of insurer, amount deductible, etc.) to inform the reader of your financial statements about the risk management activities of your entity. If your government is a member of a public entity risk pool, disclose where the reader can obtain the risk pool's financial statements.

NOTES TO FINANCIAL STATEMENTS  
SAMPLE TEXT

- 1     7.     Compensated Absences
- 2            Vacation pay may be accumulated up to \_\_\_\_ days and is payable upon separation or retirement.
- 3            Sick leave may accumulate (indefinitely or up to \_\_\_\_ hours). Upon separation or retirement employees
- 4            (do or do not) receive payment for unused sick leave.
- 5     8.     Long-Term Debt See Note (Long-Term Debt and Capital Leases Note #).
- 6     9.     Risk Management
- 7            (No SAMPLE TEXT is provided because the circumstances are unique in each case. See Notes to Preparer.)



- 3-4            If your investments are uninsured, unregistered and held by the counterpart's trust department or agency in your district's name, disclose the circumstances.
- 15            If your government has used, held, or sold any derivatives or similar instruments during the period covered by the financial statements, disclose the nature of transactions, reason for entering into transaction, and exposure to credit risk, market risk, and legal risk.
- Derivatives are generally defined as contracts whose value depends on, or derives from, the value of an underlying asset, reference date, or index. For more information see GASB Technical Bulletin *Disclosures about Derivatives and Similar Debt and Investment Transactions*.

NOTES TO FINANCIAL STATEMENTS  
SAMPLE TEXT

1     NOTE 2 - INVESTMENTS

2     1.     Investments

3           The (district)'s investments are either insured, registered or held by the (district) or its agent in the  
4           (district)'s name.

5           Investments by type at December 31, 19\_\_ are as follows:

| 6  | <u>Type of Investment</u>  | <u>Balance</u>   |
|----|----------------------------|------------------|
| 7  | L.G.I.P.                   | \$_____          |
| 8  | U.S. Government Securities | _____            |
| 9  | Other:_____                | _____            |
| 10 | _____                      | _____            |
| 11 | _____                      | _____            |
| 12 | _____                      | _____            |
| 13 | _____                      | _____            |
| 14 | Total                      | \$ <u>      </u> |

15    2.     Derivatives And Similar Transactions

16           (No SAMPLE TEXT is provided because the circumstances will be unique in each case. See Notes to  
17           Preparer.)

SAMPLE  
TEXT  
LINE NO.

NOTES TO PREPARER

---

If your district has any special levies, they should be disclosed separately. For example:

Special levies approved by the voters are not subject to the limitations listed above. In 19\_\_\_\_, the (district) levied an additional \$\_\_\_\_\_ per \$1,000 for \_\_\_\_\_  
(give purpose) for a total levy of \$\_\_\_\_\_.

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NOTES TO FINANCIAL STATEMENTS  
SAMPLE TEXT

1    NOTE 3 - PROPERTY TAXES

2    The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections  
3    are distributed (at/after) the end of each month.

4    Property tax revenues are recognized when cash is received by (district). Delinquent taxes are considered fully  
5    collectible because a lien affixes to the property when taxes are levied.

6    The (district)'s regular levy for 19\_\_\_\_ was \$\_\_\_\_\_ per \$1,000 on an assessed valuation of \$\_\_\_\_\_ for  
7    a total regular levy of \$\_\_\_\_\_.

8-14

If you have any capital leases payments, add additional column(s) to the amortization schedule and disclose lease payments as a separate category.

You may want to disclose the details of your district's compliance with some restrictions, such as the ratio of operating revenues to debt service requirements.

For each significant long-term debt, you should disclose the following:

- date of original issue,
- purpose of issue,
- amount of original issue,
- interest rate(s),
- amount(s) of installments,
- frequency of installments,
- source of repayment.

E.g.,    General Obligation Bonds                      Outstanding

|  |            |
|--|------------|
| 1988 <u>Water Series</u> , \$2,500,000 |            |
| 8.4-9.9%, \$118,000 semiannually       |            |
| to 2002                                | \$ 700,000 |

Revenue Bonds

|                                       |             |
|---------------------------------------|-------------|
| 1989 <u>Water Filtration Series</u> , |             |
| \$5,050,000, 8.9-10.1%, \$252,500     |             |
| semiannually to 2009                  | \$2,350,000 |

NOTES TO FINANCIAL STATEMENTS  
SAMPLE TEXT

1    NOTE 4 - LONG-TERM DEBT AND CAPITAL LEASES

2    The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the (district) and  
3    summarizes the (district)'s debt transactions for 19\_\_\_\_. The debt service requirements, including interest (and capital  
4    lease payments) are as follows:

|    |            |              |              |             |             |
|----|------------|--------------|--------------|-------------|-------------|
| 5  |            | General      |              |             |             |
| 6  |            | Obligation   | Revenue      | Other       | Total       |
| 7  |            | <u>Bonds</u> | <u>Bonds</u> | <u>Debt</u> | <u>Debt</u> |
| 8  | 19__       | \$           | \$           | \$          | \$          |
| 9  | 19__       |              |              |             |             |
| 10 | 19__       |              |              |             |             |
| 11 | 19__       |              |              |             |             |
| 12 | 19__       |              |              |             |             |
| 13 | Thereafter | _____        | _____        | _____       | _____       |
| 14 | TOTALS     | \$_____      | \$_____      | \$_____     | \$_____     |

15    As of December 31, 19\_\_, the (district) (and/or the trustee(s)) was (were) holding cash and investments of  
16    \$\_\_\_\_\_ (and \$\_\_\_\_\_, respectively) which are expected to fully fund debt service.

SAMPLE  
TEXT  
LINE NO.

NOTES TO PREPARER

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If there are numerous construction projects, this information should be presented in a schedule like the example below. If the information is not readily available, so state.

Construction in progress is composed of the following:

|   | <u>Project<br/>Authori<br/>ization</u> | <u>Expended to<br/>12/31/- -</u> | <u>Committed</u> | <u>Required<br/>Future<br/>Financing</u> |
|---|--|----------------------------------|------------------|--|
| Airport Expansion - Phase 1             | \$1,400,000                            | \$1,094,000                      | \$ 306,000       | None                                     |
| Airport Expansion - Phase 2             | 600,000                                | None                             | 600,000          | \$600,000                                |
| Industrial Park Sewer Line              | 250,000                                | 215,000                          | 35,000           | None                                     |
| Improvement District No. 79             | 200,000                                | 200,000                          | None             | None                                     |
| Improvement District No. 80             | 200,000                                | 117,100                          | 82,900           | None                                     |
| Various Projects Less Than<br>\$100,000 | <u>250,000</u>                         | <u>196,150</u>                   | <u>53,850</u>    | <u>None</u>                              |
| Total Construction                      | \$2,900,000                            | \$1,822,250                      | \$1,077,750      | \$600,000                                |

EFF DATE    SUPERSEDES  
1/1/96        1/1/92

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NOTES TO FINANCIAL STATEMENTS  
SAMPLE TEXT

1 NOTE 5 - CONSTRUCTION IN PROGRESS

2 Construction in progress represents expenses to date on projects for which authorizations total \$\_\_\_\_\_. Of  
3 the committed balance of \$\_\_\_\_\_ the (district) will be required to raise \$\_\_\_\_\_ in future  
4 financing.

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2-3                    E.g., PERS, LEOFF, Volunteer Fire Fighters Relief and Pension Fund, etc.

If the government administers another pension system, include the following:

Local Government Pension System

The (district) is also the administrator of a pension retirement system called \_\_\_\_\_. The system is shown as a trust fund in the financial statements of the (district). As of (date), there were a total of \_\_\_\_\_ individuals covered by this system of which \_\_\_\_\_ were currently still employed and \_\_\_\_\_ were drawing benefits.

1 NOTE 6 - PENSION PLANS

7 Historical trend information showing each system's progress in accumulating sufficient assets to pay benefits when due  
8 is presented in the state of Washington's *Comprehensive Annual Financial Report*.

|                 |                   |
|-----------------|-------------------|
| <u>EFF DATE</u> | <u>SUPERSEDES</u> |
| 1/1/96          | 1/1/95            |

|                          |                     |            |           |           |             |
|--------------------------|---------------------|------------|-----------|-----------|-------------|
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- 2            Disclose any material legal or contractual violations and steps taken to resolve them.
- If there are major lawsuits pending against your district or material disputed contracts, specific disclosure of the issues and the present status of each case (including the range of possible loss, if estimable) is required. For an outstanding amount of claims and judgments see the accompanying Schedule of Long-Term Debt (09).

NOTES TO FINANCIAL STATEMENTS  
SAMPLE TEXT

- 1 NOTE 7 - CONTINGENCIES AND LITIGATIONS
- 2 (No SAMPLE TEXT is provided because the circumstances are different in each case. See Notes to Preparer.)

Disclose any additional information that your district believes may be important to the user of its financial statements, for example:

- Corrections of material errors in previous years.
- Transactions with closely affiliated entity or district's own officials or employees.
- Extraordinary events - unusual and infrequent events which impact district's financial position.
- Subsequent events - e.g., issuance of new debt or other event(s) which may impact district and occurred after the date of financial statements.
- Participation in joint ventures.
- Material commitments, etc.

NOTES TO FINANCIAL STATEMENTS  
SAMPLE TEXT

- 1 OTHER DISCLOSURES
- 2 (See Note to Preparer.)

CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

PROFIT AND LOSS ACCOUNTS

| Old Account Number      |                        | New BARS Account Number                    |               |               |               |
|-------------------------|------------------------|--|---------------|---------------|---------------|
|                         | Account Description    | Marine Terminal                            | Airport       | Marina        | Property      |
| 6000 OPERATING REVENUES |                        |  |               |               |               |
| SERVICES                |                        |  |               |               |               |
| 6010                    | Dockage                | 631.1X                                     | n/a           | n/a           | n/a           |
| 6020                    | Wharfage               | 631.2X                                     | n/a           | n/a           | n/a           |
| 6030                    | Service Charges        | 631.3X                                     | n/a           | n/a           | n/a           |
| 6050                    | Wharf Demurrage        | 631.4X                                     | n/a           | n/a           | n/a           |
| 6060                    | Storage                | 631.4X                                     | n/a           | n/a           | n/a           |
| 6070                    | Loading and Unloading  | 631.5X                                     | n/a           | n/a           | n/a           |
| 6090                    | Handling               | 631.6X                                     | n/a           | n/a           | n/a           |
| 6110                    | Man-hour Services      | 631.7X                                     | n/a           | n/a           | n/a           |
| 6120                    | Standby and Overtime   | 631.7X                                     | n/a           | n/a           | n/a           |
| 6150                    | Berthage and Moorage   | 631.1X                                     | n/a           | 621.1X        | n/a           |
| 6155                    | Other Marine Services  | 632.9X                                     | n/a           | 622.9X        | n/a           |
|                         |                        |  |               |               |               |
| RENTALS - EQUIPMENT     |                        |  |               |               |               |
| 6160                    | Lift Trucks            | 637.2X/638.2X                              | n/a           | n/a           | n/a           |
| 6172                    | Straddle Trucks        | 637.9X/638.9X                              | n/a           | n/a           | n/a           |
| 6180                    | Cranes                 | 637.1X/638.1X                              | n/a           | n/a           | n/a           |
| 6190                    | Cargo Boards           | 637.9X/638.9X                              | n/a           | n/a           | n/a           |
| 6200                    | Misc. Equipment Rental | 637.9X/638.9X                              | 617.9X/618.9X | 627.9X/628.9X | 667.9X/668.9X |
|                         |                        |  |               |               |               |
| SALE OF UTILITIES       |                        |  |               |               |               |
| 6220                    | Water                  | 631.81                                     | 611.81        | 621.81        | 661.81        |
| 6221                    | Electricity            | 631.82                                     | 611.82        | 621.82        | 661.82        |
| 6222                    | Other                  | (See manual for details of other accounts) |               |               |               |
|                         |                        |  |               |               |               |
| RENTALS - PROPERTY      |                        |  |               |               |               |
| 6300                    | Space Rental           | 635.1X-.3X                                 | 615.1X-.3X    | 625.1X-.3X    | 665.1X-.3X    |
| 6305                    | Rental of Land         | 634.1X                                     | 614.1X        | 624.1X        | 664.1X        |
| 6308                    | Log Storage            | 634.3X/635.7X                              | n/a           | n/a           | 664.3X/665.7X |
| 6315                    | Grain Elevators        | 634.4X/635.8X                              | n/a           | n/a           | 664.4X/665.8X |
| 6330                    | Locker Rental          | 635.1X-.3X                                 | 615.1X-.3X    | 625.1X-.3X    | 665.1X-.3X    |

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CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

PROFIT AND LOSS ACCOUNTS

| Old Account Number          | Account Description                 | New BARS Account Number                    |               |               |               |
|-----------------------------|-------------------------------------|--|---------------|---------------|---------------|
|                             |                                     | Marine Terminal                            | Airport       | Marina        | Property      |
| 6340                        | Other Property Rentals              | 634.9X/636.9X                              | 614.9X/616.9X | 624.9X/626.9X | 664.9X/666.9X |
| OTHER TERMINAL REVENUE      |                                     |  |               |               |               |
| 6350                        | Sale of Materials                   | 639.XX                                     | n/a           | n/a           | n/a           |
| 6351                        | Cost of Sales and Materials         | 639.XX                                     | n/a           | n/a           | n/a           |
| 6352                        | Sale of Gas and Diesel Fuel         | 639.XX                                     | n/a           | 629.XX        | n/a           |
| 6353                        | Cost of Sale of Gas and Diesel Fuel | 639.XX                                     | n/a           | n/a           | n/a           |
| 6360                        | Miscellaneous Revenues              | 639.XX                                     | n/a           | n/a           | n/a           |
| AIRPORT FACILITIES REVENUES |                                     |  |               |               |               |
| 6410                        | Landing Fees                        | n/a  | 611.1X        | n/a           | n/a           |
| 6420                        | Aviation Fuel                       | n/a  | 616.3X        | n/a           | n/a           |
| 6430                        | Sale of Water                       | n/a  | 611.81        | n/a           | n/a           |
| 6431                        | Sale of Electricity                 | n/a  | 611.82        | n/a           | n/a           |
| 6432                        | Sale of Other Utilities             | n/a  | (See detail)  | n/a           | n/a           |
| 6460                        | Rental of Land                      | n/a  | 614.1X        | n/a           | 664.1X        |
| 6461                        | Rental of Space                     | n/a  | 615.1X-3X     | n/a           | 665.1X-3X     |
| 6470                        | Airport Concession Revenue          | n/a  | 615.1X-3X     | n/a           | 665.1X-3X     |
| 6600                        | Other Airport Revenues              | n/a  | 619.XX        | n/a           | n/a           |
| AIRPORT FACILITIES REVENUES |                                     |  |               |               |               |
| 6700-6799                   | Industrial Development Districts    | (See Nonoperating Revenues account 699.2X) |               |               |               |
| 6800-6889                   | Reserved                            | n/a  | n/a           | n/a           | n/a           |
| OTHER OPERATING REVENUES    |                                     |  |               |               |               |
| 6890                        | Taxes for Operating Revenues        | (See Nonoperating Revenues account 699.2X) |               |               |               |
| 6891-6899                   | Reserved                            | n/a  | n/a           | n/a           | n/a           |



CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

PROFIT AND LOSS ACCOUNTS

| Old Account Number     |                                   | New BARS Account Number |               |               |               |
|------------------------|-----------------------------------|-------------------------|---------------|---------------|---------------|
|                        | Account Description               | Marine Terminal         | Airport       | Marina        | Property      |
| 7000 TERMINAL EXPENSES |                                   |                         |               |               |               |
| OPERATING EXPENSES     |                                   |                         |               |               |               |
| 7010                   | Terminal Superintendent           | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7020                   | Terminal Attendants               | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7030                   | Administration & General Salaries | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7050                   | Office and Clerical               | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7070                   | Security Officers                 | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7080                   | Watchmen                          | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7090                   | Janitors                          | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7112                   | Firemen                           | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7120                   | Checkers & Supervisors            | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7130                   | Foreman                           | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7140                   | Loading and Unloading             | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7150                   | Man-hour Services                 | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7160                   | Standby and Overtime              | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7170                   | Crane Rental Labor                | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7180                   | Handling                          | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7200                   | Indirect & Utility Labor          | 731.1X                  | 711.1X        | 721.1X        | 761.1X        |
| 7205                   | Other Payroll & Fringe Benefits   | 731.2X                  | 711.2X        | 721.2X        | 761.2X        |
| 7211                   | Demurrage                         | 731.9X                  | 711.9X        | 721.9X        | 761.9X        |
| 7212                   | Over, Short and Damaged           | 731.9X                  | 711.9X        | 721.9X        | 761.9X        |
| 7214                   | Pier Supplies & Expense           | 731.4X                  | 711.4X        | 721.4X        | 761.4X        |
| 7220                   | Stevedoring                       | 731.9X                  | n/a           | n/a           | n/a           |
| 7250                   | Switching and Freight Charges     | 731.9X                  | 711.9X        | 721.9X        | 761.9X        |
| 7252                   | Tug and Pilot Services            | 731.1X                  | n/a           | n/a           | n/a           |
| 7320                   | Heat                              | 731.8X                  | 711.8X        | 721.8X        | 761.8X        |
| 7321                   | Water                             | 731.81                  | 711.81        | 721.81        | 761.81        |
| 7322                   | Electricity                       | 731.82                  | 711.82        | 721.82        | 761.82        |
| 7323                   | Gasoline and Propane              | 731.87/731.43           | 711.87/711.43 | 721.87/721.43 | 761.87/761.43 |
| 7326                   | Lubricating Oils and Grease       | 731.43                  | 711.43        | 721.43        | 761.43        |
| 7330                   | Dunnage                           | 731.9X                  | 711.9X        | 721.9X        | 761.9X        |
| 7340                   | Remodeling and Alterations        | 731.9X                  | 711.9X        | 721.9X        | 761.9X        |

**CONVERSION CHARTS**  
**1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS**

**PROFIT AND LOSS ACCOUNTS**

| Old Account Number             | Account Description                    | New BARS Account Number   |               |               |               |
|--------------------------------|--|---|---------------|---------------|---------------|
|                                |  | Marine Terminal   | Airport       | Marina        | Property      |
| 7350                           | Cranes Operating Expense               | 731.5X  | 711.5X        | 721.5X        | 761.5X        |
| 7355                           | Lift Trucks Operating Expense          | 731.5X  | 711.5X        | 721.5X        | 761.5X        |
| 7360                           | Other Equipment Expense                | 731.5X  | 711.5X        | 721.5X        | 761.5X        |
| 7362                           | Small Tools & Misc. Equipment          | 731.4X/731.5X   | 711.4X/711.5X | 721.4X/721.5X | 761.4X/761.5X |
| 7364                           | Rents                                  | 731.5X/731.6X   | 711.5X/711.6X | 721.5X/721.6X | 761.5X/761.6X |
| 7365                           | Rodent Control                         | 731.9X  | 711.9X        | 721.9X        | 761.9X        |
| 7370                           | Other Operating Supplies               | 731.4X  | 711.4X        | 721.4X        | 761.4X        |
| 7520                           | Office Supplies & Expense              | 731.41  | 711.41        | 721.41        | 761.41        |
| 7530                           | Janitor Supplies & Expense             | 731.42  | 711.42        | 721.42        | 761.42        |
| 7540                           | Law Expense                            | 731.31  | 711.31        | 721.31        | 761.31        |
| 7550                           | Outside Services Employed              | 731.3X  | 711.3X        | 721.3X        | 761.3X        |
| 7560                           | Telephone and Telegraph                | 731.88  | 711.88        | 721.88        | 761.88        |
| 7570                           | Travel                                 | 731.72  | 711.72        | 721.72        | 761.72        |
| 7580                           | Advertising                            | 731.74  | 711.74        | 721.74        | 761.74        |
| 7590                           | Membership Dues and Fees               | 731.75  | 711.75        | 721.75        | 761.75        |
| 7600                           | Property Insurance                     | 731.73  | 711.73        | 721.73        | 761.73        |
| 7625                           | Injuries and Damages                   | 731.73  | 711.73        | 721.73        | 761.73        |
| 7650                           | Miscellaneous Expense                  | 731.9X  | 711.9X        | 721.9X        | 761.9X        |
| 7670                           | Automobile Expense                     | 731.5X  | 711.5X        | 721.5X        | 761.5X        |
| 7680                           | Taxes                                  | 731.9X  | 711.9X        | 721.9X        | 761.9X        |
| <b>MAINTENANCE AND REPAIRS</b> |  |   |               |               |               |
| 7700                           | Repairs Wharves & Piers                | (Charge these expenses to the appropriate categories under maintenance within each of the operations, i.e., 713.XX, 723.XX, 733.XX, 763.XX) |               |               |               |
| 7710                           | Repairs to Buildings                   |   |               |               |               |
| 7720                           | Repairs Landing Fields/Runways/ Aprons |   |               |               |               |
| 7721                           | Repairs to Roadways                    |   |               |               |               |
| 7722                           | Hangar & Service Area                  |   |               |               |               |
| 7723                           | Floats & Approaches                    |   |               |               |               |
| 7724                           | Electric Power & Lighting              | (Charge these expenses to the appropriate categories under maintenance within each of the operations, i.e., 713.XX, 723.XX, 733.XX, 763.XX) |               |               |               |
| 7725                           | Water & Fire Protection                |   |               |               |               |
| 7730                           | Repairs to Railroad Tracks             |   |               |               |               |

EFF DATE    SUPERSEDES  
1/1/92        NONE

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CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

PROFIT AND LOSS ACCOUNTS

| Old Account Number                                    |                                   | New BARS Account Number |         |        |          |
|---|-----------------------------------|-------------------------|---------|--------|----------|
|   | Account Description               | Marine Terminal         | Airport | Marina | Property |
| 7732  | Dredging Slips & Channels         |                         |         |        |          |
| 7740  | Repairs to Entrance Drives        |                         |         |        |          |
| 7742  | Engineering Dept. Expenses        |                         |         |        |          |
| 7760  | Repairs to Parking Lots           |                         |         |        |          |
| 7765  | Other Maintenance (Real Property) |                         |         |        |          |
| 7780  | Repairs to Cargo Boards           |                         |         |        |          |
| 7810  | Repairs to Automobiles & Trucks   |                         |         |        |          |
| 7820  | Repairs to Cranes                 |                         |         |        |          |
| 7830  | Repairs to Lift Trucks            |                         |         |        |          |
| 7840  | Repairs to Straddle Trucks        |                         |         |        |          |
| 7850  | Repairs to Gear & Rigging         |                         |         |        |          |
| 7860  | Repairs to Refrigeration Equip.   |                         |         |        |          |
| 7862  | Repairs to Bull Handling Equip.   |                         |         |        |          |
| 7863  | Repairs to Car Pushers            |                         |         |        |          |
| 7864  | Repairs to Car Loaders            |                         |         |        |          |
| 7870  | Repairs to Other Equipment        |                         |         |        |          |
|   |                                   |                         |         |        |          |
| 7901 - 7940. INDUSTRIAL DEVELOPMENT DISTRICT EXPENSES |                                   |                         |         |        |          |
| 7950-7997   | Reserved                          | n/a                     | n/a     | n/a    | n/a      |
|   |                                   |                         |         |        |          |
| OTHER TERMINAL EXPENSES AND CREDITS                   |                                   |                         |         |        |          |
| 7998  | Depreciation                      | 737                     | 717     | 727    | 767      |
| 7999  | Reserved                          | n/a                     | n/a     | n/a    | n/a      |

CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

GENERAL AND ADMINISTRATIVE ACCOUNTS

| Old<br>Account<br>Number                 | Account Description           | New BARS<br>Account Number        |
|--|-------------------------------|-----------------------------------|
| 8000 ADMINISTRATIVE AND GENERAL EXPENSES |                               |                                   |
| 8010                                     | G & A Salaries                | 781.1X/783.1X                     |
| 8020                                     | Office Supplies & Expense     | 781.4X/783.4X                     |
| 8030                                     | Janitor Supplies & Expense    | 781.42/783.42                     |
| 8040                                     | Law Expense                   | 781.31/783.31                     |
| 8050                                     | Outside Services Employed     | 781.3X/783.3X                     |
| 8060                                     | Telephone and Telegraph       | 781.88/783.88                     |
| 8070                                     | Travel                        | 781.72/783.72                     |
| 8080                                     | Advertising & Promotion       | 781.74/783.74                     |
| 8081                                     | Promotional Hosting           | 781.71/783.71                     |
| 8090                                     | Membership Dues and Fees      | 781.75/783.75                     |
| 8100                                     | Publications                  | 781.79/783.79                     |
| 8200                                     | Property Insurance            | 781.73/783.73                     |
| 8210                                     | Injuries and Damages          | 781.73/783.73                     |
| 8220                                     | Employees Pensions & Benefits | 781.2X/783.2X                     |
| 8230                                     | Regulatory Commission Expense | 781.3X/783.3X                     |
| 8240                                     | Uncollected Revenues          | 781.9X/783.9X                     |
| 8250                                     | Miscellaneous General Expense | 781.9X/783.9X                     |
| 8260                                     | Utilities                     | 781.8X/783.8X                     |
| 8270                                     | Automobile Expense            | 781.5X/783.5X                     |
| 8280                                     | Rents                         | 781.5X/783.5X or<br>781.6X/783.6X |
| 8900                                     | Taxes                         | 781.79/783.79                     |
| 8998                                     | Depreciation                  | 787                               |
| 8999                                     | G&A Transferred-Credit        | 785                               |

CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

NONOPERATING ACCOUNTS

| Old<br>Account<br>Number   | Account Description              | New BARS<br>Account Number |
|----------------------------|----------------------------------|----------------------------|
| 9000 NONOPERATING REVENUE  |                                  |                            |
| 9010                       | Interest Income                  | 699.1X                     |
| 9020                       | Tax Levy Interest-GO Bonds       | 699.2X                     |
| 9030                       | Gain (Loss) Disposed Asset       | 699.4X                     |
| 9040                       | Sale of Scrap                    | 699.9X                     |
| 9060                       | Harbor Area Rentals              | 699.3X                     |
| 9070                       | Rentals-Nonoperating Property    | 694.XX-698.XX              |
| 9080                       | Receipts in Lieu of Taxes        | 699.3X                     |
| 9090                       | Tax Sales and Refunds            | 699.3X                     |
| 9100                       | State Forest Board Contributions | 699.3X                     |
| 9200                       | Miscellaneous Nonoperating       | 699.9X                     |
| 9500 NONOPERATING EXPENSES |                                  |                            |
| 9510                       | Interest Expense - GO Bonds      | 799.91                     |
| 9511                       | Interest Expense - Revenue Bonds | 799.91                     |
| 9515                       | Other Interest Expense           | 799.91                     |
| 9580                       | Bond Issue Expense               | 799.9X                     |
| 9600                       | Election Expense                 | 799.92                     |
| 9800                       | Other Nonoperating Expense       | 799.9X                     |

CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

BALANCE SHEET ACCOUNTS

| Old Account Number          | Account Description                | New BARS Account Number |
|-----------------------------|------------------------------------|-------------------------|
| ASSETS                      |                                    |                         |
| 1000 CAPITAL ASSETS         |                                    |                         |
| LAND AND RIGHTS             |                                    |                         |
| 1001                        | Land and Land Rights               | 151.1X/151.3X           |
| 1005                        | Air Rights                         | 151.3X                  |
| STRUCTURES AND IMPROVEMENTS |                                    |                         |
| 1020                        | Breakwater                         | 164.2X                  |
| 1040                        | Bulkheads & Retaining Walls        | 164.2X                  |
| 1060                        | Wharves, Docks, and Piers          | 152.1X                  |
| 1080                        | Floats                             | 152.1X                  |
| 1100                        | Pipelines                          | 164-167.XX              |
| 1120                        | Log Truck Dumps                    | 164-167.XX              |
| 1140                        | Grain Elevators                    | 152.3X                  |
| 1160                        | Petroleum Tanks                    | 166.7X                  |
| 1180                        | Bulk Liquid Handling Plant         | 166.7X                  |
| 1200                        | Tank Farm                          | 166.7X                  |
| 1220                        | Pumping Station                    | 166.7X                  |
| 1240                        | Landing Fields, Runways, & Aprons  | 166.6X                  |
| 1260                        | Hangar and Service Area            | 152.6X                  |
| 1280                        | Roadways, Grounds, & Parking Areas | 166.1X-.4X              |
| 1300                        | Buildings                          | 153.XX                  |
| 1320                        | General Plant                      | 153.XX                  |
| 1340                        | Entrance Drive & Roadways          | 166.1X                  |
| 1360                        | Trackage                           | 166.5X                  |
| 1380                        | Yard Areas                         | 167.8X                  |
| 1390                        | Improvement to Leasehold Property  | 163.XX                  |

CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

BALANCE SHEET ACCOUNTS

| Old Account Number            | Account Description           | New BARS Account Number |
|-------------------------------|-------------------------------|-------------------------|
| EQUIPMENT                     |                               |                         |
| 1400                          | Car Pushers                   | 156.5X                  |
| 1420                          | Cranes                        | 157.8X                  |
| 1440                          | Dock Autos                    | 156.4X                  |
| 1460                          | Lift Trucks                   | 157.1X                  |
| 1480                          | Heavy Lift Trucks             | 157.1X                  |
| 1500                          | Straddle Trucks               | 157.1X                  |
| 1520                          | Car Loaders                   | 157.1X                  |
| 1540                          | Automobiles                   | 156.4X                  |
| 1560                          | Trucks                        | 157.7X                  |
| 1580                          | Other Shop Equipment          | 155.8X                  |
| 1600                          | Pallet & Cargo Boards         | 161.8X                  |
| 1620                          | Furniture/Office Equipment    | 159.3X-.7X              |
| 1640                          | Other Miscellaneous Equipment | 161.8X                  |
| 1700                          | Reserved                      | n/a                     |
| 1800 CONSTRUCTION IN PROGRESS |                               | 168-169.XX              |
| 2000 RESERVE FOR DEPRECIATION |                               |                         |
| STRUCTURES AND IMPROVEMENTS   |                               |                         |
| 2020                          | Breakwater                    | 184.2X                  |
| 2040                          | Bulkheads & Retaining Walls   | 184.2X                  |
| 2060                          | Wharves, Docks, and Piers     | 172.1X                  |
| 2080                          | Floats                        | 172.1X                  |
| 2100                          | Pipelines                     | 184-187.XX              |
| 2120                          | Log Truck Dumps               | 184-187.XX              |
| 2140                          | Grain Elevators               | 172.3X                  |
| 2160                          | Petroleum Tanks               | 186.7X                  |
| 2180                          | Bulk Liquid Handling Plant    | 186.7X                  |
| 2200                          | Tank Farm                     | 186.7X                  |
| 2220                          | Pumping Station               | 186.7X                  |

CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

BALANCE SHEET ACCOUNTS

| Old<br>Account<br>Number | Account Description               | New BARS<br>Account Number |
|--------------------------|-----------------------------------|----------------------------|
| 2240                     | Landing Fields, Runways, & Aprons | 186.6X                     |
| 2260                     | Hangar and Service Area           | 172.6X                     |
| 2280                     | Roadway, Grounds, & Parking Area  | 186.1X-.4X                 |
| 2300                     | Buildings                         | 173.XX                     |
| 2320                     | General Plant                     | 173.XX                     |
| 2340                     | Entrance Drives & Roadways        | 186.1X                     |
| 2360                     | Trackage                          | 186.5X                     |
| 2380                     | Yard Areas                        | 187.8X                     |
| 2390                     | Improvement Leasehold Property    | 183.XX                     |
|                          |                                   |                            |
| EQUIPMENT                |                                   |                            |
| 2400                     | Car Pushers                       | 176.5X                     |
| 2420                     | Cranes                            | 177.8X                     |
| 2440                     | Dock Autos                        | 176.4X                     |
| 2460                     | Lift Trucks                       | 177.1X                     |
| 2480                     | Heavy Lift Trucks                 | 177.1X                     |
| 2500                     | Straddle Trucks                   | 177.1X                     |
| 2520                     | Car Loaders                       | 177.1X                     |
| 2540                     | Automobiles                       | 176.4X                     |
| 2560                     | Trucks                            | 177.7X                     |
| 2580                     | Other Shop Equipment              | 175.8X                     |
| 2600                     | Pallet & Cargo Boards             | 181.8X                     |
| 2620                     | Furniture/Office Equipment        | 179.3X-.7X                 |
| 2640                     | Other Miscellaneous Equipment     | 181.8X                     |
|                          |                                   |                            |
| 2700 OTHER PROPERTY      |                                   |                            |
| 2701-2749                | Nonoperating Property             | 193.XX                     |
| 2750                     | Reserve for Depreciation          | 193.9X                     |



CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

BALANCE SHEET ACCOUNTS

| Old Account Number                            | Account Description                 | New BARS Account Number |
|---|-------------------------------------|-------------------------|
| 2800 SINKING, REDEMPTION, SPECIAL FUND ASSETS |                                     |                         |
| 2810  | GO Bond P&I Redemption-Cash         | 101.XX/102.XX/14X.XX    |
| 2820  | GO Bond P&I Redemption-Investments  | 101.XX/102.XX/14X.XX    |
| 2830  | Revenue Bond P&I Redemption-Cash    | 101.XX/102.XX/14X.XX    |
| 2840  | Rev Bond P&I Redemption-Investments | 101.XX/102.XX/14X.XX    |
| 2850  | Special Funds - Cash                | 101.XX/102.XX/14X.XX    |
| 2860  | Special Funds - Investments         | 101.XX/102.XX/14X.XX    |
| 2900 - 2999 - RESERVED                        |                                     | n/a                     |
| 3000 CURRENT AND ACCRUED ASSETS               |                                     |                         |
| 3010  | Cash                                | 101.1X                  |
| 3020  | Temporary Cash Investments          | 101.XX/102.XX           |
| 3105  | Interest Special Deposits           | 101.XX/141.XX           |
| 3106  | Bond Redemption Special Deposits    | 101.XX/141.XX           |
| 3107  | Customer Deposits                   | 101.XX/102.XX/14X.XX    |
| 3108  | Transportation Deposits             | 101.XX/102.XX/14X.XX    |
| 3109  | Working Fund Advances               | 101.7X                  |
| 3170  | Accounts Receivable                 | 112.1X                  |
| 3180  | Real Estate Contracts Receivable    | 115.XX                  |
| 3190  | Reserve for Doubtful Accounts       | 112.9X                  |
| 3200  | Interest Receivable                 | 113.XX                  |
| 3220  | Taxes Receivable                    | 111.XX                  |
| 3232  | Interfund Loan Receivable           | n/a                     |
| 3240  | Earned Revenue Unbilled             | 112.4X                  |
| 3250  | Materials and Supplies              | 131.XX                  |
| 3251  | Gasoline and Diesel Fuel Oil        | 131.XX                  |
| 3260  | Prepayments                         | 133.XX                  |
| 3290  | Miscellaneous Current Assets        | 139.XX                  |

CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

BALANCE SHEET ACCOUNTS

| Old Account Number                   | Account Description               | New BARS Account Number |
|--------------------------------------|-----------------------------------|-------------------------|
| 3600 DEFERRED DEBITS                 |                                   |                         |
| 3610                                 | Work in Progress                  | 196.9X                  |
| 3620                                 | Miscellaneous Deferred Debits     | 196.9X                  |
| 3701 - 3999 - RESERVED               |                                   | n/a                     |
| LIABILITIES AND EQUITY               |                                   |                         |
| 4000                                 | Bonds Outstanding                 | 235.XX/251.XX/252.XX    |
| 4001                                 | General Obligation Bonds          | 235.1X/251.XX           |
| 4050                                 | Revenue Bonds                     | 235.2X/252.XX           |
| 4100 CURRENT AND ACCRUED LIABILITIES |                                   |                         |
| 4120                                 | Warrants Payable                  | 211.XX                  |
| 4130                                 | Accounts Payable                  | 212.XX                  |
| 4140                                 | Interfund Loan Payable            | n/a                     |
| 4150                                 | Customer Deposits                 | 239.1X                  |
| 4160                                 | Taxes Accrued                     | 213.7X                  |
| 4170                                 | Interest Accrued                  | 214.XX                  |
| 4180                                 | Payroll Payable                   | 213.3X                  |
| 4190                                 | Employee Benefits Payable         | 213.5X/259.XX           |
| 4300                                 | Matured Interest                  | 214.XX                  |
| 4310                                 | Matured Long-Term Debt            | 235.XX                  |
| 4320                                 | Miscellaneous Accrued Liabilities | 213.9X                  |
| 4500 DEFERRED CREDITS                |                                   |                         |
| 4520                                 | Contractor Retainage              | 216.4X                  |
| 4530                                 | Miscellaneous Deferred Credits    | 217.XX/270.XX           |
| 4601 - 4699 - RESERVED               |                                   | n/a                     |

CONVERSION CHARTS  
1970 PORT ACCOUNTS TO BARS ACCOUNT NUMBERS

BALANCE SHEET ACCOUNTS

| Old Account Number   | Account Description               | New BARS Account Number |
|--|-----------------------------------|-------------------------|
| 4700 OPERATING RESERVES                                    |                                   |                         |
| 4710   | Property Insurance Reserve        | 295.3X                  |
| 4720   | Injuries & Damages Reserve        | 295.3X                  |
| 4730   | Miscellaneous Operating Reserve   | 295.3X                  |
| 4800 CONTRIBUTIONS IN AID OF CONSTRUCTION                  |                                   |                         |
| 4801-4810  | Federal (FAA, Etc.)               | 281.XX                  |
| 4811   | State                             | 282.XX                  |
| 4812   | County                            | 282.XX                  |
| 4813   | City                              | 282.XX                  |
| 4814   | Other                             | 283.XX                  |
| 4825 ACCUMULATED DEPRECIATION - DONATED FACILITIES (DEBIT) |                                   |                         |
| 4826-4835  | Federal (FAA, Etc.)               | 284.XX                  |
| 4836   | State                             | 285.XX                  |
| 4837   | County                            | 285.XX                  |
| 4838   | City                              | 285.XX                  |
| 4839   | Other                             | 286.XX                  |
| 5000 EQUITY  |                                   |                         |
| 5001   | Paid in Equity                    | 28X.XX                  |
| 5010   | Net Worth - Taxation              | 295.5X/298.XX           |
| 5011   | Net Worth - Operations            | 295.3X/298.XX           |
| RECONCILIATION OF NET WORTH ACCOUNTS                       |                                   |                         |
| 5012   | Credit Balance - Income Statement | n/a                     |
| 5013   | Credits - Prior Years             | n/a                     |
| 5014   | Other Credits                     | n/a                     |
| 5015   | Debit Balance - Income Statement  | n/a                     |
| 5016   | Debits - Prior Years              | n/a                     |
| 5017   | Other Debits                      | n/a                     |

## GLOSSARY OF TERMS

ACCOUNT NUMBER. See CODING.

ACCOUNTING PERIOD. A period at the end of which and for which financial statements are prepared. See also FISCAL PERIOD.

ACCOUNTING SYSTEM. The total structure of records and procedures designed to discover, record, classify, summarize, and report information on the financial position and results of operations of a government or any of its funds, account groups or organizational components. See INTERNAL CONTROL.

ACTIVITY. A specific and distinguishable line of work performed by one or more organizational units of a government for the purpose of accomplishing a function for which the government is responsible.

ADMINISTRATIVE CONTROL. See INTERNAL CONTROL.

ADVANCE REFUNDING BONDS. Bonds issued to refund an outstanding bond issue prior to the date on which the outstanding bonds become due or callable. Proceeds of the advance refunding bonds are deposited with a trustee, invested in U.S. Treasury Bonds or other authorized securities, and used to redeem the underlying bonds at maturity or call date and to pay interest on the bonds being refunded or the advance refunding bonds.

ADVERSE OPINION. An opinion stating the auditor's view that financial statements do not present fairly financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

AMORTIZATION. (1) Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts. (2) Provision for the extinguishment of a debt by means of a debt service fund.

ANNUAL BUDGET. A budget applicable to a single fiscal year. See also BUDGET and OPERATING BUDGET.

ANNUITY. A series of equal money payments made at equal intervals during a designated period of time.

ANNUITY, AMOUNT OF. The total amount of money accumulated or paid during an annuity period. This total includes compound interest at a designated rate.

ANNUITY PERIOD. The designated length of time during which the amount of an annuity is accumulated or paid.

APPRAISE. To make an estimate of value, particularly of the value of property. If the property is valued for purposes of taxation, the less-inclusive term "assess" is substituted for this term.

ASSESS. To value property officially for the purpose of taxation.

ASSESSED VALUATION. A valuation set upon real estate or other property by a government as a basis for levying taxes.

ASSESSMENT. (1) The process of making the official valuation of property for purposes of taxation. (2) The valuation placed upon property as a result of this process.

ASSESSMENT ROLL. In the case of real property, the official list containing the legal description of each parcel of property and its assessed valuation. The name and address of the last known owner are also usually shown. In the case of personal property, the assessment roll is the official list containing the name and address of the owner, a description of the personal property, and its assessed value.

## BARS GLOSSARY

ASSETS. Resources owned or held by a government which have monetary value.

AUDIT. An examination to determine the accuracy and validity of records and reports or the conformity of procedures with established policies. See INTERNAL AUDIT, INDEPENDENT AUDIT, FINANCIAL AND COMPLIANCE AUDIT, PROGRAM COMPLIANCE AUDIT, SINGLE AUDIT, PERFORMANCE AUDIT, PRE-AUDIT and POST-AUDIT.

AUDIT PROGRAM. A detailed outline of work to be done and procedures to be followed in any given audit.

AUDIT REPORT. The report by an auditor furnished at the conclusion of internal audits, independent audits, and investigations. As a rule, the report would include: (1) a statement of the scope of the audit; (2) explanatory comments or findings (if any) concerning exceptions by the auditor; (3) opinions; (4) financial statements and schedules; and (5) sometimes statistical tables, supplementary comments, and recommendations.

AUDITED VOUCHER. A voucher which has been examined and approved for payment.

AUDITOR'S OPINION. A statement signed by an auditor in which he or she states that he or she has examined the financial statements in accordance with generally accepted auditing standards (with exceptions, if any) and in which he or she expresses an opinion on the financial position and results of operations of some or all of the funds and account groups of the government as appropriate. See UNQUALIFIED OPINION, QUALIFIED OPINION and DISCLAIMER OF OPINION.

AUTHORITY. A government or public agency created to perform a single function or a restricted group of related activities. Usually such units are financed from service charges, fees, and tolls, but in some instances they also have taxing powers. An authority may be completely independent of other governments or partially dependent upon other governments for its creation, its financing, or the exercise of certain powers.

AUTOMATIC DATA PROCESSING (ADP). See DATA PROCESSING.

## BARS GLOSSARY

BETTERMENT. An addition made to, or change made in, a fixed asset which is expected to prolong its life or to increase its efficiency over and above that arising from maintenance. The cost of a betterment is added to the book value of the asset. The term is sometimes applied to sidewalks, sewers, and highways, but it is preferable to designate these as IMPROVEMENTS. See also INFRASTRUCTURE ASSETS.

BOND DISCOUNT. The excess of the face value of a bond over the price for which it is sold or acquired. The price does not include accrued interest at the date of sale or acquisition.

BOND ORDINANCE OR RESOLUTION. An ordinance or resolution authorizing a bond issue.

BOND PREMIUM. The excess of the price at which a bond is sold or acquired over its face value. The price does not include accrued interest at the date of sale or acquisition.

BONDED DEBT. That portion of indebtedness represented by outstanding bonds.

BONDS AUTHORIZED AND UNISSUED. Bonds which have been legally authorized but not issued and which can be issued and sold without further authorization. This term must not be confused with the term "legal debt margin," which represents the difference between the legal debt limit of a government and the debt outstanding against it.

BONDS ISSUED. Bonds sold.

BONDS PAYABLE. The face value of bonds issued and unpaid.

BOOKS OF ORIGINAL ENTRY. The record in which the various transactions are formally recorded for the first time, such as the cash journal, warrant register, or general journal. Where mechanized bookkeeping methods are used, it may happen that one transaction is recorded simultaneously in several records, one of which may be regarded as the book of original entry.

BOOK VALUE. Value as shown by books of account. In the case of assets which are subject to reduction by valuation allowances such as depreciation, "book value" refers to cost or stated value less the appropriate allowance. Sometimes a distinction is made between "gross book value" and "net book value," the former designating value before deduction of related allowances and the latter after their deduction. In the absence of any modifier, however, the term "book value" means "net book value."

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary and tentative or whether it has been approved by the appropriating body. See ANNUAL BUDGET, CAPITAL BUDGET, CAPITAL PROGRAM.

BUDGET DOCUMENT. The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to the past years' actual revenues, expenditures, and other data used in making the estimates. In addition to the budget document, an appropriation ordinance or resolution and revenue and borrowing measures will be necessary to put the budget into effect.

## BARS GLOSSARY

BUDGET MESSAGE. A general discussion of the proposed budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an explanation of the principal budget items, an outline of the government's experience during the past period and its financial status at the time of the message, and recommendations regarding the financial policy for the coming period.

|                 |                   |
|-----------------|-------------------|
| <u>EFF DATE</u> | <u>SUPERSEDES</u> |
| 1/1/97          | 1/1/93            |

|                          |            |           |           |             |
|--------------------------|------------|-----------|-----------|-------------|
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## BARS GLOSSARY

CALLABLE BOND. A type of bond which permits the issuer to pay the obligation before the stated maturity date by giving notice of redemption in a manner specified in the bond contract.

CAPITAL ASSETS. See FIXED ASSETS.

CAPITAL BUDGET. A plan of proposed capital outlays and the means of financing them. See CAPITAL PROGRAM.

CAPITAL EXPENDITURES. See CAPITAL OUTLAYS.

CAPITAL GRANTS. External grants which are restricted by the grantor for the acquisition and/or construction of fixed assets. Although the concept applies to all funds, the classification is used only in proprietary funds. See also OPERATING GRANTS.

CAPITAL IMPROVEMENT PROGRAM. See CAPITAL PROGRAM.

CAPITAL OUTLAYS. Expenditures which result in the acquisition of or addition to fixed assets.

CAPITAL PROGRAM. A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program or otherwise. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

CAPITAL RESOURCES. Resources of a fixed or permanent character, such as land and buildings, which cannot ordinarily be used to meet current expenditures.

CASH. An account reflecting currency, coin, checks, postal and express money orders, and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits. All cash must be accounted for as a part of the fund to which it belongs. Any restrictions or limitations as to its availability must be indicated in the records and statements. It is not necessary, however, to have a separate bank account for each fund unless required by law.

CASH BASIS. A basis of accounting under which transactions are recognized only when cash is received or disbursed.

CASH DISCOUNT. An allowance received or given if payment is completed within a stated period of time. This term is not to be confused with TRADE DISCOUNT.

CHECK. A bill of exchange drawn on a bank and payable on demand; a written order on a bank to pay on demand a specified sum of money to a named person, to his or her order, or to bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable. It differs from a voucher in that the latter is not an order to pay. A voucher-check combines the distinguishing characteristics of a voucher and a check; it shows the propriety of a payment and is an order to pay.

CLASSIFIED. This term means all proprietary operations which use double-entry full accrual accounting systems which measure revenue and expense, including depreciation. Examples of classified proprietary accounting systems are NARUC Water, MFOA Airports, SAO Ports, etc. See PROPRIETARY FUND.

CLEARING ACCOUNT. An account used to accumulate charges or credits that are to be allocated to other accounts later, or to accumulate a net difference for transfer to another account.



## BARS GLOSSARY

**CODING.** A system of numbering or otherwise designating accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals quickly certain required information. The BARS numbers are an example of the coding of accounts. Other examples are the numbering of monthly recurring journal entries to indicate the month and the nature of the entry and the numbering of invoices or vouchers so that the number reveals the date of entry.

**CONTINGENT LIABILITIES.** Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law suits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts. All contingent liabilities should be disclosed within the basic financial statements, including the notes thereto.

**CORRECTION OF ERRORS.** See REFUND.

**COST RECORDS.** All ledgers, supporting records, schedules, reports, invoices, vouchers, and other records and documents reflecting the cost of projects, jobs, production centers, processes, operations, products, or services, or the cost of any of the component parts thereof.

**COUPON RATE.** The interest rate specified on interest coupons attached to a bond, also called the nominal interest rate.

**COVERAGE.** The ratio of net revenue available for debt service to the average annual debt service requirements of an issue of revenue bonds. See NET REVENUES AVAILABLE FOR DEBT SERVICE.

**CURRENT.** A term which, applied to budgeting and accounting, designates the operations of the present fiscal period as opposed to past or future periods. It usually connotes items likely to be used up or converted into cash within one year.

**CURRENT ASSETS.** (1) In governmental funds, those assets which are available or can be made readily available to finance current operations or to pay current liabilities. (2) In proprietary funds, those assets which will be used up or converted into cash within the next operating cycle (e.g., one year). Some examples are cash, temporary investments, and taxes receivable which will be collected within the next operating cycle (e.g., one year).

**CURRENT LIABILITIES.** Liabilities which are payable within the next operating cycle (e.g., one year).

**CURRENT RESOURCES.** Resources which can be used to meet current obligations and expenditures. Examples are current assets, estimated revenues of a particular period not yet realized, transfers from other funds authorized but not received, and in the case of certain funds, bonds authorized and unissued.

**CUSTOMER DEPOSITS.** A liability account used in an enterprise fund to reflect deposits made by customers as a prerequisite to receiving services and/or goods provided by the fund.

## BARS GLOSSARY

DATA PROCESSING. (1) The preparation and handling of information and data to obtain results such as classification, problem solution, summarization, and reports. (2) Preparation and handling of financial information wholly or partially by mechanical or electronic means.

DAY LABOR. Use of a government's own personnel to construct or maintain its fixed assets. Also called "force account."

DEBT. An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of governments include bonds, registered warrants, notes, contracts and accounts payable. See BONDED DEBT, NOTE PAYABLE, REGISTERED WARRANT, LONG-TERM DEBT, OBLIGATION BONDS, and REVENUE BONDS.

DEBT LIMIT. The maximum amount of gross or net debt which is legally permitted.

DEBT SERVICE REQUIREMENT. The amount of money required to pay interest on outstanding debt, serial maturities of principal for serial bonds, and required contributions to accumulate monies for future retirement of term bonds.

DEFEASANCE. The legal release of a debtor from being the primary obligor under the debt, either by the courts or by the creditor. Also referred to as a legal defeasance. See IN-SUBSTANCE DEFEASANCE.

DEFICIT. (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

DELINQUENT SPECIAL ASSESSMENTS. Special assessments remaining unpaid on and after the date on which a penalty for nonpayment is attached.

DELINQUENT TAXES. Taxes remaining unpaid on and after the date on which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or cancelled, the unpaid balances continue to be delinquent taxes until abated, cancelled, paid, or converted into tax liens.

DEMURRAGE. A fee charged to the owner of cargo that remains in the terminal area beyond a stipulated period of time after off-loading from the vessel.

DEPARTMENT. See ORGANIZATION UNIT CLASSIFICATION.

DEPLETION. (1) The reduction in quantity of a natural resource (wasting asset), such as coal, standing timber, or a rock quarry. (2) The portion of the cost of a wasting asset which is charged as an expense during a particular period. See AMORTIZATION, DEPRECIATION and WASTING ASSETS.

DEPOSIT. (1) Money or securities placed with a bank or other institution or with a person such as the county treasurer either as a general deposit subject to withdrawal by check or as a special deposit made for some specified purpose. (2) Sums deposited by customers for electric meters, water meters, etc., and by contractors and others to accompany and guarantee their bids.

DEPOSITARY. A person/entity entrusted with the safekeeping and depositing of assets.

DEPOSITORY. A place where assets are deposited for safekeeping. (NOTE: The BARS manual makes the distinction between the terms depository and depository. However, the RCWs and certain publications use these terms interchangeably. Where we use depository, the RCWs use depository.)

## BARS GLOSSARY

DEPRECIATION. (1) Expiration in the service life of fixed assets, other than wasting assets. (2) The portion of the cost of a fixed asset other than a wasting asset which is charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense. See DEPLETION and AMORTIZATION.

DIRECT CHARGES. See DIRECT EXPENSES.

DIRECT COSTS. See DIRECT EXPENSES.

DIRECT DEBT. The debt which a government has incurred in its own name or assumed through the annexation of territory or consolidation with another government. See OVERLAPPING DEBT.

DIRECT EXPENSES. Those expenses which can be charged directly as a part of the cost of a product, service, department, operating unit or activity, as distinguished from indirect costs (called "overhead") which must be prorated among several products, services, departments, operating units or activities. See OVERHEAD.

DISBURSEMENTS. Payments in cash.

DISCLAIMER OF OPINION. A report stating that the auditor does not express an opinion on the financial statements. The disclaimer of opinion is appropriate when the auditor has not performed an examination sufficient in scope to enable him to form an opinion on the financial statements. A disclaimer of opinion should not be expressed because the auditor believes, on the basis of the examination, that there are material departures from GAAP. In such circumstances, an adverse opinion would be appropriate. See ADVERSE OPINION and QUALIFIED OPINION.

DISCOUNTED PRESENT VALUE. See PRESENT VALUE.

DISTRAIN. To seize and hold (property) to compel reparation or payment of debts.

DOCKAGE. A fee charged against the vessel for the privilege of mooring at a dock.

DOUBLE ENTRY. A system of bookkeeping which requires an entry to the debit side of an account or accounts for the corresponding amount or amounts of the entry to the credit side of another account or accounts.

DRAYAGE. A fee charged by a trucking firm for transportation cargo on or off the terminal, or to or from a warehouse or land transport terminal.

## BARS GLOSSARY

EARNINGS. See INCOME and REVENUES.

EFFECTIVE INTEREST RATE. The rate of earning on an investment based on the actual price paid in contrast with the nominal interest rate. See PRESENT VALUE.

ELECTRONIC DATA PROCESSING (EDP). Data processing by means of high-speed electronic equipment. See DATA PROCESSING.

ENTERPRISE FUND. A fund established to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Examples of enterprise funds are those for water, gas, and electric utilities; swimming pools; airports; parking garages; and transit systems.

ENTITLEMENT. The amount of payment to which a state or local government is entitled as determined by the federal government pursuant to an allocation formula contained in applicable statutes.

ENTITY. The basic unit for accounting and/or financial reporting. The basic governmental legal entity for accounting is the individual fund and account group.

EXAMINATION. See AUDIT.

EXPENDITURES. Decreases in net current assets. Expenditures include debt service, capital outlays, and those current operating costs which require the use of current assets.

EXPENSES. Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures. See EXPENDITURES.

EXTERNAL AUDIT. See INDEPENDENT AUDIT and AUDIT.

## BARS GLOSSARY

FACE VALUE. As applied to securities, this term designates the amount of liability stated in the security document.

FIDELITY BOND. Insurance against losses from theft, defalcation, and misappropriation of public monies by government officers and employees.

FINANCIAL AND COMPLIANCE AUDIT. An examination leading to the expression of an opinion on (1) the fairness of presentation of the audited entity's basic financial statements in conformity with GAAP and (2) the audited entity's compliance with the various finance-related legal and contractual provisions used to assure acceptable governmental organizational performance and effective management stewardship.

FISCAL AGENT. A fiduciary agent, usually a bank or county treasurer, who performs the function of paying debt principal and interest when due.

FISCAL PERIOD. Any period at the end of which a government determines its financial position and results of its operations. See ACCOUNTING PERIOD.

FISCAL YEAR. A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations.

FIXED ASSETS. Assets which are intended to be held or used for a long term, such as land, buildings, improvements other than buildings, machinery and equipment. In common usage, the term refers only to operating facilities and equipment, not to long-term investments and other non-current assets.

FIXTURES. Attachments to buildings which are not intended to be removed and which cannot be removed without damage to the buildings. Those fixtures with a useful life presumed to be as long as that of the building itself are considered a part of the building; all others are classified as equipment.

FLOW-THROUGH. See PASS-THROUGH RESOURCES, SUBRECIPIENT.

FORCE ACCOUNT. See DAY LABOR.

FRANCHISE. A special privilege granted by a government permitting a monopoly or the continuing use of public property, such as city streets.

FULL FAITH AND CREDIT. A pledge of the general taxing power of a government for the payment of debt obligations. Bonds carrying such pledges are referred to as general obligation bonds.

FUND. A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUNDED DEBT. Same as BONDED DEBT, which is the preferred term.

## BARS GLOSSARY

FUND TYPE. In governmental accounting, all funds are classified into three categories and seven fund types:

### Governmental Funds Category

- (1) General (or Current Expense) Fund
- (2) Special Revenue Funds
- (3) Debt Service Funds
- (4) Capital Projects Funds

### Proprietary Funds Category

- (5) Enterprise Funds (PORTS, TRANSITS)
- (6) Internal Service Funds

### Fiduciary Funds Category

- (7) Trust and Agency Funds
  - (a) Expendable Trust Funds
  - (b) Non-expendable Trust Funds
  - (c) Pension Trust Funds
  - (d) Agency Funds

## BARS GLOSSARY

GAAP. See GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

GAAS. See GENERALLY ACCEPTED AUDITING STANDARDS.

GENERAL JOURNAL. A journal in which are entered all entries not recorded in special journals. See JOURNAL and SPECIAL JOURNAL.

GENERAL OBLIGATION BONDS. Bonds for the payment of which the full faith and credit of the issuing government are pledged, including tax revenue.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board.

GENERALLY ACCEPTED AUDITING STANDARDS (GAAS). Measures of the quality of the performance of auditing procedures and the objectives to be attained through their use. They are concerned with the auditor's professional qualities and with the judgment exercised in the performance of an audit. Generally accepted auditing standards have been prescribed by (1) the American Institute of Certified Public Accountants (AICPA) and (2) the U.S. General Accounting Office (GAO) in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions ("Yellow Book").

GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS). Standards established by the GAO in its publication *Standards for Audit of Governmental Organizations, Programs, Activities and Functions* ("Yellow Book") for the conduct and reporting of both financial and performance audits. GAGAS set forth general standards applicable to both types of audits and separate standards of field work and reporting for financial and performance audits. The GAGAS standards of field work and reporting for financial audits incorporate and build upon GAAS.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB). The authoritative accounting and financial reporting standard-setting body for government entities.

GRANTS. External contributions or gifts of cash or other assets to be used or expended for a specified purpose, activity, or facility. See also CAPITAL GRANTS, OPERATING GRANTS, CONTRIBUTED CAPITAL, and PASS-THROUGH RESOURCES.

GROUPED ASSETS. Very similar assets acquired at the same time that are treated as a single asset for depreciation purposes. Any gain or loss is deferred until the entire group has been retired.

GROSS BOOK VALUE. See BOOK VALUE.

GROSS REVENUE. See REVENUES.

## BARS GLOSSARY

IMPREST CASH ACCOUNT. An account into which a fixed amount of money or cash equivalent is placed for the purpose of making change or minor disbursements. Advance travel and similar checking accounts and stamp funds are included in this category.

IMPROVEMENTS. Buildings, other structures, and other attachments or annexations to land which are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains, and sewers. Sidewalks, curbing, sewers, and highways are sometimes referred to as "betterments," but the term "improvements" is preferred. See also INFRASTRUCTURE ASSETS.

IN-SUBSTANCE DEFEASANCE. An advance refunding in which the government is not legally released from being the primary obligor on the refunded bonds, but the possibility of the government having to make additional payments is considered remote. See ADVANCE REFUNDING BONDS.

INCOME. A term in proprietary fund type accounting to represent (1) revenues or (2) the excess of revenues over expenses. See OPERATING INCOME, INCOME BEFORE OPERATING TRANSFERS, and NET INCOME.

INCOME BEFORE OPERATING TRANSFERS. Proprietary fund operating income adjusted by nonoperating revenues and nonoperating expenses.

INDEPENDENT AUDIT. An audit performed by an independent auditor.

INDIRECT COSTS. See OVERHEAD.

INFRASTRUCTURE ASSETS. These are also called "public domain" assets. These assets are immovable and belong in the category of Improvements Other Than Buildings. They are designed to serve the needs of the general public and would be of limited value to any purchaser of property because he could not control their use. Examples include roads, bridges, piers, curbs and gutters, channels, decks, aprons, sidewalks, and drainage systems.

INTERIM FINANCIAL STATEMENT. A financial statement prepared before the end of the current fiscal year and covering only financial transactions during the current year to date.

INTERNAL AUDIT. An appraisal activity within an organization for the review of operations as a service to management. It is a managerial control which functions by measuring and evaluating the effectiveness of other controls.

INTERNAL CONTROL. Internal control comprises the plan of organization, and all of the coordinate methods and measures adopted within a government to accomplish its objectives.

Administrative control includes, but is not limited to, the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions. Such authorization is a management function directly associated with the responsibility for achieving the objectives of the government and is the starting point for establishing accounting control of transactions.

Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:

- a. Transactions are executed in accordance with management's general or specific authorization.



## BARS GLOSSARY

- b. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (2) to maintain accountability for assets.
- c. Access to assets is permitted only in accordance with management's authorization.
- d. The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The foregoing definitions are not necessarily mutually exclusive because some of the procedures and records comprehended in accounting control may also be involved in administrative control.

INVENTORY. A detailed list showing quantities, descriptions, and values of property and, frequently, units of measure and unit prices.

INVESTMENTS. Assets held for the production of revenues in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.

## BARS GLOSSARY

JOINT VENTURE. A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or, (b) an ongoing financial responsibility.

JOURNAL. A book of original entry. Journals provide a chronological history of financial transactions and a systematic means by which the transactions can be distributed and summarized for convenient posting to ledger accounts. See GENERAL JOURNAL, SPECIAL JOURNAL, and REGISTER.

JOURNAL VOUCHER. A voucher provided for the recording of certain transactions or information in place of or supplementary to the journals or registers. The journal voucher usually contains an entry or entries, explanations, references to documentary evidence supporting the entry or entries, and the signature or initials of one or more properly authorized officials.

JUDGMENT. An amount to be paid or collected by a government as the result of a court decision, including a condemnation award in payment for private property taken for public use.

## BARS GLOSSARY

LEASEHOLD. The right to the use of real estate by virtue of a lease, usually for a specified term of years, for which consideration is paid.

LEASE-PURCHASE AGREEMENTS. Contractual agreements which are termed "leases," but which in substance amount to purchase contracts.

LEGAL DEBT LIMIT. See DEBT LIMIT.

LEVY. (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

LIABILITIES. Debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

LOCAL IMPROVEMENT. See SPECIAL ASSESSMENT.

LONG-TERM DEBT. Debt with a maturity of more than one year after the date of issuance.

## BARS GLOSSARY

MAINTENANCE. The upkeep of physical properties in condition for use or occupancy. Examples are the inspection of equipment to detect defects and the making of repairs.

MITIGATION. In environmental management, avoiding, minimizing, rectifying, reducing, and compensating for project-induced resource losses.

MUNICIPAL BOND. A bond issued by a state or local government.

MUNICIPAL CORPORATION. A body politic and corporate established pursuant to state authorization for the purpose of providing governmental services and regulations for its inhabitants. A municipal corporation has defined boundaries and a population, and is usually organized with the consent of its residents. It usually has a seal and may sue and be sued. Cities and counties are examples of municipal corporations. See QUASI-MUNICIPAL CORPORATION and SPECIAL DISTRICT.

## BARS GLOSSARY

NET BOOK VALUE. See BOOK VALUE.

NET INCOME. Proprietary fund excess of operating revenues, nonoperating revenues, and operating transfers-in over operating expenses, nonoperating expenses, and operating transfers-out.

NET PROFIT. See NET INCOME.

NET REVENUES. See NET INCOME.

NET REVENUES AVAILABLE FOR DEBT SERVICE. Proprietary fund gross operating revenues less operating and maintenance expenses but exclusive of depreciation and bond interest. "Net revenue available for debt service" as thus defined is used to compute "coverage" on revenue bond issues. See COVERAGE. Under the provisions of some revenue bond indentures, "net revenues available for debt service" for computation of revenue bond coverage must be computed on a cash basis rather than in conformity with GAAP.

NOMINAL INTEREST RATE. The contractual interest rate shown on the face and in the body of a bond and representing the amount of interest to be paid, in contrast to the effective interest rate.

NONOPERATING EXPENSES. Proprietary fund expenses which are not directly related to the fund's primary service activities.

NONOPERATING INCOME. See NONOPERATING REVENUES.

NONOPERATING PROPERTIES. Properties which are owned by an enterprise fund but which are not used in the provision of the fund's primary service activities.

NONOPERATING REVENUES. Proprietary fund revenues which are incidental to, or by-products of, the fund's primary service activities.

NOTE PAYABLE. In general, an unconditional written promise signed by the maker to pay a certain sum in money on demand or at a fixed or determinable time either to the bearer or to the order of a person designated therein. See TEMPORARY LOANS.

NOTE RECEIVABLE. An unconditional written promise, signed by the maker, to pay a certain sum in money on demand or at a fixed or determinable future time either to the bearer or to the order of a person designated therein. The note may be held by the reporting governmental unit as designated payee or by endorsement.

NOTES TO THE FINANCIAL STATEMENTS. The summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements of an entity which are not included on the face of the basic financial statements themselves. The notes to the financial statements are an integral part of the basic financial statements.

## BARS GLOSSARY

OBLIGATIONS. Amounts which a government may be required legally to meet out of its resources. They include not only actual liabilities but also unliquidated encumbrances.

OBSOLESCENCE. The decrease in the value of fixed assets resulting from economic, social, technological, or legal changes.

OPERATING BUDGET. Plans of current expenditures and the proposed means of financing them. The annual operating budget (or, in the case of some state governments, the biennial operating budget) is the primary means by which most of the financing of acquisition, spending, and service delivery activities of a government are controlled. The use of annual operating budgets is usually required by law. Even where not required by law, however, annual operating budgets are essential to sound financial management and should be adopted by every government. See BUDGET.

OPERATING CAPACITY. The maximum performance, production, or services possible under the limiting conditions of existing physical plant, labor force, method of production, etc.

OPERATING EXPENSES. Proprietary fund expenses which are directly related to the fund's primary service activities.

OPERATING GRANTS. External grants which are restricted by the grantor to operating purposes or which may be used for either capital or operating purposes at the discretion of the grantee. Although the concept applies in all funds, the classification is used only in proprietary funds. See also CAPITAL GRANTS, CONTRIBUTED CAPITAL and PASS-THROUGH RESOURCES.

OPERATING INCOME. The excess of proprietary fund operating revenues over operating expenses.

OPERATING REVENUES. Proprietary fund revenues which are directly related to the fund's primary service activities. They consist primarily of user charges for services.

OPERATING SUBSIDY. See OPERATING GRANTS.

OPTIONAL BOND. See CALLABLE BOND.

ORGANIZATION UNIT CLASSIFICATION. Expenditure classification according to responsibility centers within a government's organization structure. Classification of expenditures by organization unit is essential to fixing stewardship responsibility for individual government resources.

OUTLAYS. Synonymous with EXPENDITURES. See CAPITAL OUTLAYS.

OVERHEAD. All costs other than direct costs. Specifically, those elements of cost necessary to produce an article or perform a service for which the amount applicable to the product or service cannot be determined accurately or readily. Usually they relate to those objects of expenditure which do not become an integral part of the finished product or service such as rent, heat, light, supplies, management, supervision, etc.

OVERLAPPING DEBT. The proportionate share of the debts of other local governments located wholly or in part within the limits of the reporting government which must be borne by property within each government. Except for special assessment debt, the amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction. Special assessment debt is allocated on the basis of the ratio of assessments receivable in each jurisdiction to total assessments receivable which will be used wholly or in part to pay off the debt. See DIRECT DEBT.

## BARS GLOSSARY

PASS-THROUGH RESOURCES. Resources that are received by a recipient government to transfer to or spend on behalf of a secondary recipient, government or otherwise, in accordance with legal or contractual provisions.

PAY-AS-YOU-GO BASIS. A term used to describe the financial policy of a government which finances all of its capital outlays from current revenues rather than by borrowing. A government which pays for some improvements from current revenues and others by borrowing is said to be on a partial or modified pay-as-you-go basis.

PERFORMANCE AUDIT. Examinations intended to assess (1) the economy and efficiency of the audited entity's operations and (2) program effectiveness - the extent to which program objectives are being attained. Performance audits are sometimes also referred to as operational audits.

PERPETUAL INVENTORY. A system whereby the inventory of units of property at any date may be obtained directly from the records without resorting to an actual physical count. A record is provided for each item or group of items to be inventoried and is so divided as to provide a running record of goods ordered, received, and withdrawn, and the balance on hand, in units and frequently also in value.

PETTY CASH. A sum of money set aside on an imprest basis for the purpose of making change or paying small obligations for which the issuance of a formal voucher and warrant would be too expensive and time consuming. Petty cash accounts are sometimes referred to as petty cash "funds." However, they are not "funds" in the sense of governmental accounting's fund types. Petty cash accounts should be reported as assets of the fund of ownership. See IMPREST CASH ACCOUNT.

PETTY CASH VOUCHER. A voucher used to record individual disbursements of petty cash. See IMPREST CASH ACCOUNT.

POOLED ASSETS. Similar assets that are grouped together for the purpose of setting a rate to charge users of the assets.

POST-AUDIT. An examination of financial transactions that have been consummated or those in various stages of completion at the end of an accounting period. See PRE-AUDIT.

POSTING. The act of transferring to an account in a ledger the data, either detailed or summarized, contained in a book or document of original entry.

PRE-AUDIT. An examination of financial transactions prior to their completion.

PREPAID ITEMS. An asset account reflecting charges entered in the accounts for benefits not yet received. Prepaid items differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operations. Examples of prepaid items are prepaid rent, prepaid interest, and unexpired insurance premiums. An example of a deferred charge is unamortized discounts on bonds sold.

PRESENT VALUE. The sum of future payments or receipts discounted to the current date at an appropriate rate of interest. Usually the present value can be considered equivalent to the cash price that would be paid for an item on delivery or the principal or face amount of an investment or debt exclusive of interest. However, when an item is purchased on credit and no interest rate is stated, or when an investment is bought or sold at a premium or discount, or when a debt is incurred and the cash proceeds are not the same as the face amount of the debt, computation of present value may be required. The rules and procedures are available in any current intermediate accounting text.

## BARS GLOSSARY

PROGRAM COMPLIANCE AUDIT. An examination leading to the expression of an opinion on the degree of the audited entity's compliance with requirements imposed by intergovernmental grantors and the audited entity's eligibility for grant monies.

PROPRIETARY FUND TYPES. Sometimes referred to as income determination or commercial-type funds, the classification used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (i.e., enterprise and internal service funds). All assets, liabilities, equities, revenues, expenses and transfers relating to the government's business and quasi-business activities are accounted for through proprietary funds. The GAAP used are generally those applicable to similar businesses in the private sector and the measurement focus is on determination of net income, financial position, and changes in financial position. However, where the GASB has issued pronouncements applicable to those entities and activities, they should be guided by these pronouncements.

PUBLIC AUTHORITY. See AUTHORITY.

PUBLIC CORPORATION. See MUNICIPAL CORPORATION and QUASI-MUNICIPAL CORPORATION.

PURCHASE ORDER. A document which authorizes the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

PURCHASES METHOD. The method under which inventories are recorded as expenditures when acquired. At the end of the fiscal period, inventories on hand are recorded as a balance sheet asset with an offset to a reserved fund balance account.



## BARS GLOSSARY

QUALIFIED OPINION. An opinion stating that “except for” the effect of the matter to which the qualification relates, the financial statements present fairly the financial position, results of operations and (when applicable) changes in financial position in conformity with GAAP. Such an opinion is expressed when a lack of sufficient, competent evidential matter or restrictions on the scope of the auditor's examination have led the auditor to conclude that an unqualified opinion cannot be expressed, or when the auditor believes, on the basis of his examination, that (1) the financial statements contain a departure from GAAP, the effect of which is material, (2) there has been a material change between periods in accounting principles or in the method of their application or (3) there are significant uncertainties affecting the financial statements, and the auditor has decided not to express an adverse opinion or to disclaim an opinion. See ADVERSE OPINION and DISCLAIMER OF OPINION.

QUASI-MUNICIPAL CORPORATION. An agency established by the state primarily for the purpose of helping the state to carry out its functions. Some agencies ordinarily classified as quasi-municipal corporations have been granted the powers of municipal corporations by the state. See MUNICIPAL CORPORATION and SPECIAL DISTRICT.

## BARS GLOSSARY

RATE BASE. The value of utility property used in computing an authorized rate of return as authorized by law or a regulatory commission.

REBATES. See REFUND.

RECEIPTS. Cash received.

REFUND. (Noun) The recovery of an item previously expensed or the repayment of an item previously recorded as revenue. Such refunds should be included in revenues, expenditures, or expenses of the current accounting period. (Verb) To pay back or allow credit for an amount because of an over-collection or because of the return of an object sold. Such charges or credits should be made to the account where the original transaction was recorded. (Verb) To provide for the payment of an obligation through cash or credit secured by a new obligation.

REFUNDING BONDS. Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bonds may be exchanged with holders of outstanding bonds. See ADVANCE REFUNDING BONDS.

REGISTER. A record for the consecutive entry of a certain class of events, documents, or transactions, with proper notation of all the required particulars. The form of registers varies from a one-column to a multi-columnar sheet of special design whereon the entries are distributed, summarized, and aggregated for convenient posting to the accounts. See JOURNAL.

REGISTERED WARRANT. A warrant which is registered by the paying officer for future payment due to a present lack of monies and which is to be paid in the order of its registration. In some cases, such warrants are registered when issued; in others, when first presented to the paying officer by the holders. See WARRANT.

REIMBURSEMENTS. Reimbursements are transactions that reduce expenditures or expenses in the fund that is reimbursed. These transactions include refunds of expenditures, internal prorations of costs, and payments received for others' share of pooled purchases.

Reimbursements do not include recoveries for damages, whether from insurance or from private sources, contractual payments from the state or from other local governments, or impact payments, or shared costs of providing services.

Examples of transactions that qualify as reimbursements include: The distribution of utility and telephone bills among the departments and funds of a government, after one department has paid the bill; similar allocations of insurance premiums and payrolls among various departments and funds; jury duty pay and disability pay returned to an employer; and rebates of part of an insurance premium.

REPORT OF EXAMINATION. See AUDIT REPORT.

REQUISITION. A written demand or request, usually from one department to the purchasing officer or to another department, for specified articles or services.

RESERVE. (1) An account used to segregate a portion of fund balance to indicate that it is not available for expenditure; and (2) an account used to segregate a portion of fund equity as legally set aside for a specific future use.

RESTRICTED ASSETS. Monies or other resources, the use of which is restricted by legal or contractual requirements. In governmental accounting, special treatments are applied to restricted assets arising out of revenue bond indentures in enterprise funds. These are sometimes also called restricted "funds" but such terminology is not preferred.

## BARS GLOSSARY

REVENUE BONDS. Bonds whose principal and interest are payable exclusively from earnings of an enterprise fund; i.e., port district. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the enterprise fund's property.

REVENUES. Increases in proprietary fund type net total assets from other than expense refunds and capital contributions. Operating transfers-in are classified separately from revenues.

REVOLVING FUND. An imprest account which is accounted for as an asset of a fund.

## BARS GLOSSARY

SCHEDULES. See SUPPORTING SCHEDULES.

SECURITIES. Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments. See INVESTMENTS.

SELF-INSURANCE. A term often used to describe the retention by an entity of a risk of loss arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. It is sometimes accompanied by the setting aside of assets of fund any related losses. Because no insurance is involved, the term self-insurance is a misnomer.

SELF-SUPPORTING or LIQUIDATING DEBT. Debt obligations whose principal and interest are payable solely from the earnings of the enterprise for the construction or improvement of which they were originally issued. See REVENUE BONDS.

SERIAL BONDS. Bonds whose principal is repaid in periodic installments over the life of the issue.

SHARED REVENUES. Revenues levied by one government but shared on a predetermined basis, often in proportion to the amount collected at the local level, with another government or class of governments.

SHARED TAXES. See SHARED REVENUES.

SHORT-TERM DEBT. Debt with a maturity of one year or less after the date of issuance. Short-term debt usually includes contracts and accounts payable, bond anticipation notes, and interim warrants.

SINGLE AUDIT. Expanded financial and compliance audits which are to include standardized program compliance audit elements. Single audits are expected eventually to eliminate the need for separate program compliance audits of individual federally assisted programs.

SOURCE. The origin of revenues, not necessarily the payor.

SPECIAL ASSESSMENT. A compulsory levy made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

SPECIAL ASSESSMENT BONDS. Bonds payable from the proceeds of special assessments. These bonds are payable only from the collections of special assessments, and occur in Local Improvement Districts (LIDs) and Road Improvement Districts (RIDs).

SPECIAL ASSESSMENT LIENS RECEIVABLE. Claims which a government has upon properties until special assessments levied against them have been paid. The term normally applies to those delinquent special assessments for the collection of which legal action has been taken through the filing of claims.

SPECIAL ASSESSMENT ROLL. The official list showing the amount of special assessments levied against each property presumed to be benefited by an improvement or service.

SPECIAL DISTRICT. An independent unit of local government organized to perform a single governmental function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; however, certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, flood control districts, hospital districts, fire protection districts, school districts, transit authorities, port authorities, and public utility districts.

## BARS GLOSSARY

SPECIAL JOURNAL. A journal containing all entries of a particular type. Examples include cash receipts journals, cash disbursement journals, purchases journals, etc. See JOURNAL and GENERAL JOURNAL.

STATE-COLLECTED LOCALLY SHARED TAX. See SHARED REVENUES.

STEVEDORING. The function of loading and unloading the ship, often done by stevedoring companies who then employ longshore labor for specific tasks.

STORES. Goods subject to requisition and use on hand in storerooms.

SUBRECIPIENT. An entity that is a secondary or ultimate recipient of federal (grantor) financial assistance. These federal funds are distributed, under contract, by a state or local government (grantee) to the secondary recipient and are used by it in order to carry out federal assistance programs. (These funds are not to be confused with pass-through resources received as an agency that are forwarded to a provided of services.) See PASS-THROUGH RESOURCES.

SUPPORTING SCHEDULES. Financial presentations that: (1) demonstrate compliance with finance-related legal and contractual provisions; (2) present information spread throughout the basic financial statements that can be brought together and shown in greater detail (e.g., schedule of taxes receivable); and (3) present greater detail for information reported in the basic financial statements (e.g., detail of revenues and expenditures by element and object).

## BARS GLOSSARY

TARIFF RATES. In a port, a list or scale of prices and charges for various port services (for example, wharfage and dockage).

TAXES. Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those who pay, for example, sewer service charges.

TEMPORARY LOANS. Short-term obligations representing amounts borrowed for short periods of time and usually evidenced by notes payable or warrants payable. They may be unsecured or secured by specific revenues to be collected.

TRADE DISCOUNT. An allowance, usually varying in percentage with the volume of transactions, made to those engaged in certain businesses and allowable without respect to the time when the account is paid. These discounts are commonly considered a reduction of the sales or purchase price and not earnings. The term is not to be confused with CASH DISCOUNT.

TRANSFER VOUCHER. A voucher authorizing transfers of cash or other resources between accounts.

## BARS GLOSSARY

UNCLASSIFIED. Any operation which uses a modified accrual or cash (single-entry) basis of accounting and therefore does not record depreciation or other expenses. Such operations should be accounted for in the general fund or in special revenue funds. See FUND TYPE.

UNIT COST. A term used in cost accounting to denote the cost of producing a unit of product or rendering a unit of service; for example, the cost of treating and purifying 1,000 gallons of sewage.

UNQUALIFIED OPINION. An auditor's opinion which states that the basic financial statements of a specified entity are fairly presented in conformity with GAAP applied on a basis consistent with the prior year.

UTILITY FUND. See ENTERPRISE FUND.

VOUCHER. A written document which evidences the propriety of transactions and usually indicates the accounts in which they are to be recorded.

VOUCHER SYSTEM. A system which calls for the preparation of vouchers for transactions involving payments and for the recording of such vouchers in a special book of original entry, known as a voucher register, in the order in which payment is approved.

VOUCHERS PAYABLE. Liabilities for goods and services evidenced by vouchers which have been preaudited and approved for payment but which have not been paid.

## BARS GLOSSARY

WARRANT. An order drawn by the legislative body or an officer of a government upon its treasurer directing the latter to pay a specified amount to the person named or to the bearer. It may be payable upon demand, in which case it usually circulates the same as a bank check; or it may be payable only out of certain revenues when and if received, in which case it does not circulate as freely. See REGISTERED WARRANT.

WARRANTS PAYABLE. The amount of warrants outstanding and unpaid.

WASTING ASSETS. Mines, timberlands, quarries, oil fields, and similar assets which diminish in value by the removal of their contents.

WHARFAGE. A fee charged against the cargo for moving it across a wharf or terminal.

YIELD. See EFFECTIVE INTEREST RATE.